

Interstate Bank

Financial Statements^{*}

for the year ended December 31, 2015

* This document contains an extract from the financial statements prepared in accordance with IFRS. The complete set of the financial statements prepared in accordance with IFRS together with an opinion of independent auditors is available on the website of the Interstate Bank in Russian.

Statement of comprehensive income

	2015	2014
Interest income	630 177	486 752
Interest expense	(131 577)	(147 013)
Net interest income	498 600	339 739
Provision charge for impairment of interest-bearing assets	-	(7 371 035)
Net interest income / (expense) after provision for impairment	498 600	(7 031 296)
Gains less losses arising from transactions with financial assets / liabilities	434 435	144 009
Gains less losses arising from foreign exchange transactions	170 958	(10 875)
Gains less losses from revaluation of foreign currency	401 569	4 552 648
Fee and commission income	5 993	5 529
Fee and commission expense	(4 587)	(1 282)
Gains on initial recognition of financial instruments	-	4 240 121
Provision charge for impairment of other assets and changes in contingent liabilities	(685)	31 967
Other operating income	1 732	1 099
Operating expenses	(290 786)	(245 031)
Profit before tax	1 217 229	1 686 889
Income tax expense	-	(340)
NET PROFIT	1 217 229	1 686 549
Other comprehensive income	(2 067)	(453 191)
Other comprehensive income to be reclassified in profit or loss in subsequent periods: Changes in fair value reserve for financial assets available for sale	(2 067)	(453 191)
Total other comprehensive income, net of tax	(2 067)	(453 191)
COMPREHENSIVE INCOME	1 215 162	1 233 358

Signed on February 29, 2016

President

I.G. Souvorov

Chief Accountant

L.K. Razdevilova

Statement of financial position

	December 31, 2015	December 31, 2014
ASSETS		
Cash and cash equivalents	535 124	991 657
Due from financial institutions	3 187 987	1 271 912
Loans and advances to customers	5 750	4 785
Financial assets available for sale	3 587 713	3 282 047
Fixed assets and intangible assets	43 748	44 677
Other assets	84 519	13 988
Total assets	7 444 841	5 609 066
LIABILITIES		
Financial liabilities designated at fair value through profit or loss	-	34 631
Due to financial institutions	835 274	148 849
Customers accounts	1 836 689	1 887 410
Other liabilities and reserves	2 856	75 165
Subordinated debt	-	1 958 611
Total liabilities	2 674 819	4 104 666
EQUITY		
Authorized capital / Paid-in shares	212 086	212 086
Shares in authorized capital reacquired from members	(1 100)	(1 100)
Fair value reserve for financial assets available for sale	(125 274)	(123 207)
Other equity instruments	2 052 230	-
Retained earnings	2 632 080	1 416 621
Total equity	4 770 022	1 504 400
Total liabilities and equity	7 444 841	5 609 066

Signed on February 29, 2016

President

I.G. Souvorov

Chief Accountant

L.K. Razdevilova

Statement of changes in equity

	Authorized capital / Paid- in shares	Shares in authorized capital reaquired from members	Other equity instruments	Fair value reserve for financial assets available for sale	Retained profit / (Accumulated deficit)	Total equity
Balance as of January 1, 2014	212 086	(1 100)	-	329 984	(269 928)	271 042
Comprehensive income for the year ended on December 31, 2014, net of tax	-	-	-	(453 191)	1 686 549	1 233 358
Balance as of January 1, 2015	212 086	(1 100)	-	(123 207)	1 416 621	1 504 400
Comprehensive income for the year ended on December 31, 2015, net of tax	-	-	-	(2 067)	1 217 229	1 215 162
Perpetual subordinated debt	-	-	2 052 230	-	-	2 052 230
Amounts paid on perpetual subordinated debt	-	-	-	-	(1 770)	(1 770)
Balance as of December 31, 2015	212 086	(1 100)	2 052 230	(125 274)	2 632 080	4 770 022

Signed on February 29, 2016

President

I.G. Souvorov

Cheif Accountant

L.K. Razdevilova

Statement of cash flows

	2015	2014
<i>Cash flows from operating activities</i>		
Interest received	635 045	439 599
Interest paid	(37 971)	(89 750)
Fee and commission received	5 993	5 529
Fee and commission paid	(4 587)	(1 282)
Gains less losses arising from transactions with financial assets designated at fair value through profit or loss, available for sale	434 435	4 713
Gains less losses arising from foreign exchange transactions	170 958	23 756
Other operating income	1 698	1 126
Operating expenses paid	(286 054)	(238 623)
Income tax expense	-	(340)
Cash flows from operating activity before changes in operating assets and liabilities	919 517	144 728
<i>Net (increase) / decrease on operating assets and liabilities</i>		
Net (increase) / decrease in due from financial institutions	(1 914 365)	180 590
Net (increase) / decrease in loans and advances to customers	(965)	(555)
Net (increase) / decrease in other assets	(71 216)	157 709
Net increase / (decrease) in financial liabilities designated at fair value through profit or loss	(34 631)	-
Net increase / (decrease) in due to financial institutions	686 425	82 009
Net increase / (decrease) in customers accounts	(50 721)	(80 680)
Net increase / (decrease) in other liabilities	(73 335)	71 489
Net cash flows from operating activities	(539 291)	555 290
<i>Cash flows from investing activities</i>		
Purchase of financial assets available for sale	(2 079 885)	(543 733)
Proceeds from disposal of financial assets available for sale	2 109 347	407 581
Dividends received from investment securities	210	150
Purchase of fixed assets	(3 979)	(2 287)
Net cash used in investing activities	25 693	(138 289)
Changes in subordinated debt	(744)	-
Net cash used in financing activities	(744)	-
Effect of exchange rate changes on cash and cash equivalents	57 809	136 392
Net increase (decrease) in cash and cash equivalents	(456 533)	553 393
Cash and cash equivalents as at the beginning of the reporting period	991 657	438 264
Cash and cash equivalents as at the end of the reporting period	535 124	991 657

Signed on February 29, 2016

President

I.G. Souvorov

Chief Accountant

L.K. Razdevilova