Open Joint Stock Company
“State transport leasing company”

Financial Statements
For the Year Ended
31 December 2010
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Independent Auditors’ Report

To the Board of Directors
Open Joint Stock Company “State transport leasing company”

We have audited the accompanying financial statements of Open Joint Stock Company “State transport leasing company” (the Company), which comprise the statement of financial position as at 31 December 2010, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2010, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

ZAO KPMG
16 June 2011
Open Joint Stock Company “State transport leasing company”
Statement of Financial Position as at 31 December 2010
(all amounts in thousands of Russian roubles unless otherwise indicated)

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Note</td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>6</td>
<td>1 561 515</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>7</td>
<td>4 784 522</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>8</td>
<td>294 719</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>9</td>
<td>4 613 705</td>
</tr>
<tr>
<td>VAT receivable</td>
<td></td>
<td>736 314</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td></td>
<td>17 126</td>
</tr>
<tr>
<td>Inventories</td>
<td>10</td>
<td>22 128</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>11</td>
<td>41 567</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>12</td>
<td>6 301</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>13</td>
<td>17 469</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td><strong>12 095 366</strong></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>14</td>
<td>1 745 522</td>
</tr>
<tr>
<td>Payables for lease equipment</td>
<td></td>
<td>67 906</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>15</td>
<td>35 351</td>
</tr>
<tr>
<td>Advances received</td>
<td></td>
<td>155 746</td>
</tr>
<tr>
<td>Other than income taxes payable</td>
<td>16</td>
<td>26 968</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td><strong>2 031 493</strong></td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>17</td>
<td>10 001 000</td>
</tr>
<tr>
<td>Retained earnings (accumulated losses)</td>
<td></td>
<td>62 873</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td><strong>10 063 873</strong></td>
</tr>
<tr>
<td><strong>Total liabilities and equity</strong></td>
<td></td>
<td><strong>12 095 366</strong></td>
</tr>
</tbody>
</table>

Approved for issue and signed by the General Director of Open Joint Stock Company “State transport leasing company” on 16 June 2011.

Samoizov V.V., General Director

The notes set out on pages 8 to 45 form an integral part of these financial statements.
<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance lease interest income</td>
<td>334 482</td>
<td>110 515</td>
</tr>
<tr>
<td>Other interest income</td>
<td>290 780</td>
<td>282 452</td>
</tr>
<tr>
<td>Interest expense</td>
<td>(44 002)</td>
<td>(67 570)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td><strong>581 260</strong></td>
<td><strong>325 397</strong></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(380 953)</td>
<td>(140 675)</td>
</tr>
<tr>
<td>Other operating income</td>
<td>12 213</td>
<td>5 195</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(19 959)</td>
<td>(23 375)</td>
</tr>
<tr>
<td>Foreign exchange translation (loss) gain</td>
<td>(4 868)</td>
<td>1 355</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>(21 421)</td>
<td>(11 147)</td>
</tr>
<tr>
<td><strong>Profit before taxation</strong></td>
<td><strong>166 272</strong></td>
<td><strong>156 750</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>(41 540)</td>
<td>(40 323)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td><strong>124 732</strong></td>
<td><strong>116 427</strong></td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td><strong>124 732</strong></td>
<td><strong>116 427</strong></td>
</tr>
</tbody>
</table>

The notes set out on pages 8 to 45 form an integral part of these financial statements.
Open Joint Stock Company “State transport leasing company”
Statement of Cash Flows for the Year Ended 31 December 2010
(all amounts in thousands of Russian roubles unless otherwise indicated)

<table>
<thead>
<tr>
<th>Note</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash received from lessees</td>
<td>1 846 735</td>
<td>438 187</td>
</tr>
<tr>
<td>Cash paid to suppliers of equipment for leasing purposes</td>
<td>(6 786 477)</td>
<td>(4 627 797)</td>
</tr>
<tr>
<td>Interest received</td>
<td>308 559</td>
<td>255 132</td>
</tr>
<tr>
<td>Interest paid</td>
<td>(41 832)</td>
<td>(67 152)</td>
</tr>
<tr>
<td>Taxes paid other than income tax</td>
<td>(124 620)</td>
<td>(169 004)</td>
</tr>
<tr>
<td>Administrative expenses paid</td>
<td>(414 152)</td>
<td>(141 790)</td>
</tr>
<tr>
<td>Other operating income received</td>
<td>6 511</td>
<td>10 285</td>
</tr>
<tr>
<td>Operating cash flow before tax</td>
<td>(5 205 276)</td>
<td>(4 302 139)</td>
</tr>
<tr>
<td>Income tax paid</td>
<td>(74 870)</td>
<td>(23 016)</td>
</tr>
<tr>
<td>Net cash flows used in operating activities</td>
<td>(5 280 146)</td>
<td>(4 325 155)</td>
</tr>
<tr>
<td>CASH FLOWS FROM INVESTING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of property and equipment and intangibles assets</td>
<td>(16 597)</td>
<td>(15 311)</td>
</tr>
<tr>
<td>Sale of property and equipment and intangible assets</td>
<td>909</td>
<td>128</td>
</tr>
<tr>
<td>Net cash flows used in investing activities</td>
<td>(15 688)</td>
<td>(15 183)</td>
</tr>
<tr>
<td>CASH FLOWS FROM FINANCING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>1 832 395</td>
<td>396 177</td>
</tr>
<tr>
<td>Loans and promissory notes repaid</td>
<td>(498 508)</td>
<td>(512 183)</td>
</tr>
<tr>
<td>Proceeds from issue of share capital</td>
<td>-</td>
<td>10 000 000</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(18 078)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash flows from financing activities</td>
<td>1 315 809</td>
<td>9 883 994</td>
</tr>
<tr>
<td>Effect of exchange rate changes on cash and cash equivalents</td>
<td>(3 310)</td>
<td>31</td>
</tr>
<tr>
<td>Net (decrease) increase in cash and cash equivalents</td>
<td>(3 983 335)</td>
<td>5 543 687</td>
</tr>
<tr>
<td>Cash and cash equivalents at the beginning of the year</td>
<td>5 544 850</td>
<td>1 163</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the year</td>
<td>6 1 561 515</td>
<td>5 544 850</td>
</tr>
</tbody>
</table>

The notes set out on pages 8 to 45 form an integral part of these financial statements.
Open Joint Stock Company “State transport leasing company”
Statement of Changes in Equity for the year ended 31 December 2010
(all amounts in thousands of Russian roubles unless otherwise indicated)

<table>
<thead>
<tr>
<th></th>
<th>Share capital</th>
<th>Retained earnings (accumulated losses)</th>
<th>Total equity (deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance as at 31 December 2008</strong></td>
<td>1 000</td>
<td>(160 208)</td>
<td>(159 208)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>-</td>
<td>116 427</td>
<td>116 427</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td>116 427</td>
<td>116 427</td>
</tr>
<tr>
<td><strong>Issue of ordinary shares</strong></td>
<td>10 000 000</td>
<td>-</td>
<td>10 000 000</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2009</strong></td>
<td>10 001 000</td>
<td>(43 781)</td>
<td>9 957 219</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>-</td>
<td>124 732</td>
<td>124 732</td>
</tr>
<tr>
<td><strong>Total comprehensive income</strong></td>
<td></td>
<td>124 732</td>
<td>124 732</td>
</tr>
<tr>
<td><strong>Dividends declared and paid</strong></td>
<td>-</td>
<td>(18 078)</td>
<td>(18 078)</td>
</tr>
<tr>
<td><strong>Balance as at 31 December 2010</strong></td>
<td>10 001 000</td>
<td>62 873</td>
<td>10 063 873</td>
</tr>
</tbody>
</table>

The notes set out on pages 8 to 45 form an integral part of these financial statements.
1. **Principal activities**

Open Joint Stock Company “State transport leasing company” (the Company) was incorporated in the Russian Federation as a Closed Joint Stock Company “Leasing Company of Civilian Aviation” on 12 November 2001.

On 17 January 2006 the Company was reorganized and renamed to Open Joint Stock Company “State transport leasing company”.

The Company’s principal business activity is provision of finance leases to companies within the Russian Federation.

The Company’s registered office is located at 125284, Russia, Moscow, Leningradskiy prospect, 31a, bld.1.

As at 31 December 2010 and 2009 the sole shareholder of the Company is Ministry of Transport of the Russian Federation.

**Russian business environment**

The Company’s operations are primarily located in the Russian Federation. Consequently, the Company is exposed to the economic and financial markets of the Russian Federation which display characteristics of an emerging market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. The financial statements reflect management’s assessment of the impact of Russian business environment on the operations and the financial position of the Company. The future business environment may differ from management’s assessment.

2. **Basis of preparation**

**Statement of Compliance**

The accompanying financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs).

**Basis of measurement**

These financial statements are prepared on the historical cost basis.

**Functional and Presentation Currency**

The national currency of the Russian Federation where the Company has its main activity is the Russian Rouble (RUB). Management has determined the functional currency to be the RUB. The RUB is the presentation currency for the purposes of these financial statements. Amounts in RUB are rounded to the nearest thousand.

3. **Significant accounting policies**

The accounting policies set out below are applied consistently to all periods presented in these financial statements.

**Foreign currency translation**

Transactions in foreign currencies are translated to RUB at the foreign exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to RUB at the foreign exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated to RUB at the foreign
exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to RUB at the foreign exchange rate at the dates the fair values were determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income.

**Offsetting**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, settlement accounts and short-term deposits in banks. Deposits in banks are classified as cash and cash equivalents if initial contractual maturities of such deposits are less than 3 months.

**Leases**

The Company’s lease transactions are classified as either finance or operating leases at inception in accordance with IAS 17 “Leases”. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

The inception of the lease is the earlier of the date of the lease agreement and the date of commitment by the parties to the principal provisions of the lease. At the inception of the lease the amounts to be recognized at the commencement of the lease term are determined.

The commencement of the lease is considered to be the date when the lessee is entitled to exercise its right to use the leased asset. It is the date of initial recognition of the lease.

**Finance leases**

The gross investment in a lease is the aggregate of the minimum lease payments under a finance lease from the standpoint of the lessor. Minimum lease payments are the payments over the lease term that the lessee is, or can be, required to make, excluding contingent rent, costs for services and taxes to be paid by and reimbursed to the lessor.

The net investment in a lease is the gross investment in a lease less unearned finance income and is recorded in “net investment in leases” in the statement of financial position. The unearned finance income is amortised to finance lease interest income over the lease term to produce a constant percentage return on the net investment in a lease. Any allowance for possible losses under finance leases is charged to expense and is recorded as a reduction to the net investment in leases through an impairment allowance.

The interest rate implicit in the lease is the discount rate that, at the inception of the lease, causes the aggregate present value of the minimum lease payments to be equal to the sum of the fair value of the leased asset and any initial direct costs of the lessor.

In case the Company finances the purchase of the equipment (through advance payments to the equipment supplier) for leasing purposes during the period between the inception of the lease and commencement of the lease, finance lease income is recognized in the statement of comprehensive income from the date of commencement of the lease.

Any advance payments made by the lessee prior to commencement of the lease are recorded as advances received and subsequently adjust finance lease receivable upon commencement of the lease.
Financial instruments

Classification

Financial instruments at fair value through profit or loss are financial assets or liabilities that are:

- acquired or incurred principally for the purpose of selling or repurchasing in the near term
- part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking
- derivative financial instruments (except for derivative financial instruments that are designated and effective hedging instruments).

The Company may designate financial assets and liabilities at fair value through profit or loss where either:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise or,
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

During 2010 and 2009 the Company did not hold any investments in this category.

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity, other than those that:

- the Company upon initial recognition designates as at fair value through profit or loss
- the Company designates as available-for-sale or,
- meet the definition of loans and receivables.

During 2010 and 2009 the Company did not hold any investments in this category.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the Company:

- intends to sell immediately or in the near term
- upon initial recognition designates as at fair value through profit or loss
- upon initial recognition designates as available-for-sale or,
- may not recover substantially all of its initial investment, other than because of credit deterioration.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial instruments at fair value through profit or loss. During 2010 and 2009 the Company did not hold any investments in this category.

Recognition

Financial assets and liabilities are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. All regular way purchases of financial assets are accounted for at the settlement date.

Measurement

A financial asset or liability is initially measured at its fair value plus, in the case of a financial asset or liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.
Subsequent to initial recognition, financial assets, including derivatives that are assets, are measured at their fair values, without any deduction for transaction costs that may be incurred on sale or other disposal, except for:

- loans and receivables which are measured at amortized cost using the effective interest method
- held-to-maturity investments that are measured at amortized cost using the effective interest method
- investments in equity instruments that do not have a quoted market price in an active market and whose fair value can not be reliably measured which are measured at cost.

All financial liabilities, other than those designated at fair value through profit or loss and financial liabilities that arise when a transfer of a financial asset carried at fair value does not qualify for derecognition, are measured at amortized cost.

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortized based on the effective interest rate of the instrument.

Fair value measurement principles

The fair value of financial instruments is based on their quoted market price at the reporting date without any deduction for transaction costs. Where a quoted market price is not available, fair value is determined using valuation techniques with a maximum use of market inputs. Such valuation techniques include reference to recent arm’s length market transactions, current market prices of substantially similar instruments, discounted cash flow models and other techniques commonly used by market participants to price the instrument.

Where discounted cash flow techniques are used, estimated future cash flows are based on management’s best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the reporting date.

Gains and losses on subsequent measurement

A gain or loss arising from a change in the fair value of a financial asset or liability is recognized as follows:

- a gain or loss on a financial instrument classified as at fair value through profit or loss is recognized in profit or loss
- a gain or loss on an available-for-sale financial asset is recognized as other comprehensive income in equity (except for impairment losses and foreign exchange gains and losses on debt financial instruments available-for-sale) until the asset is derecognized, at which time the cumulative gain or loss previously recognised in equity is recognized in profit or loss. Interest in relation to an available-for-sale financial asset is recognized in profit or loss using the effective interest method.

For financial assets and liabilities carried at amortized cost, a gain or loss is recognized in profit or loss when the financial asset or liability is derecognized or impaired, and through the amortization process.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial
The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised.

In transactions where the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

In transfers where control over the asset is retained, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred assets.

The Company writes off assets deemed to be uncollectible.

**Taxation**

**Income tax**

Income tax comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items of other comprehensive income or transactions with shareholders recognised directly in equity, in which case it is recognised within other comprehensive income or directly within equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences, unused tax losses and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Value added tax (VAT)**

The tax authorities permit the settlement of VAT from sales and purchases on a net basis.

VAT is payable to tax authorities upon accrual of sales.

VAT receivable relates to purchases that have not been settled at the reporting date.

Amounts of VAT payable relating to future lease payments, excluding lease payments that are deemed current in accordance with lease agreements and included in lease payments receivable, are not reflected in the statement of financial position. Those amounts are included in the lease payments receivable and taxes payable when the lease payment becomes due in accordance with the payment schedule.

**Other operation taxes**

Property tax payable on leased assets is included in lease payments and is excluded from interest income from finance lease. The Russian Federation also has various operating taxes that are assessed on the Company’s activities. These taxes are included in other operating expenses.
Impairment

Financial assets carried at amortized cost

Financial assets carried at amortized cost consist principally of net investment in leases, loans and other receivables (loans and receivables). The Company reviews its loans and receivables to assess impairment on a regular basis. A loan or receivable is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the loan or receivable and that event (or events) has had an impact on the estimated future cash flows of the loan that can be reliably estimated.

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, breach of loan covenants or conditions, restructuring of a loan or advance on terms that the Company would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, deterioration in the value of collateral, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers in the group, or economic conditions that correlate with defaults in the group.

The Company first assesses whether objective evidence of impairment exists individually for loans and receivables that are individually significant, and individually or collectively for loans and receivables that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed loan or receivable, whether significant or not, it includes the loan in a group of loans and receivables with similar credit risk characteristics and collectively assesses them for impairment. Loans and receivables that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan or receivable has been incurred, the amount of the loss is measured as the difference between the carrying amount of the loan or receivable and the present value of estimated future cash flows including amounts recoverable from guarantees and collateral discounted at the loan or receivable’s original effective interest rate. Contractual cash flows and historical loss experience adjusted on the basis of relevant observable data that reflect current economic conditions provide the basis for estimating expected cash flows.

In some cases the observable data required to estimate the amount of an impairment loss on a loan or receivable may be limited or no longer fully relevant to current circumstances. This may be the case when a borrower is in financial difficulties and there is little available historical data relating to similar borrowers. In such cases, the Company uses its experience and judgement to estimate the amount of any impairment loss.

All impairment losses in respect of loans and receivables are recognized in profit or loss and are only reversed if a subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

When a loan or receivable is uncollectable, it is written off against the related allowance for loan impairment. The Company writes off a loan or receivable balance (and any related allowances for loan losses) when management determines that the loans are uncollectible and when all necessary steps to collect the loan are completed.

Financial assets carried at cost

Financial assets carried at cost include unquoted equity instruments included in available-for-sale financial assets that are not carried at fair value because their fair value can not be reliably measured. If there is objective evidence that such investments are impaired, the impairment loss is calculated as the difference between the carrying amount of the investment and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset.

All impairment losses in respect of these investments are recognized in profit or loss and can not be reversed.
Non financial assets

Other non financial assets, other than deferred taxes, are assessed at each reporting date for any indications of impairment. The recoverable amount of non financial assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

All impairment losses in respect of non financial assets are recognized in profit or loss and reversed only if there has been a change in the estimates used to determine the recoverable amount. Any impairment loss reversed is only reversed to the extent that the asset’s carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Equipment purchased for leasing purposes

The Company records capital expenditures related to acquisition of equipment subject to leasing as equipment purchased for leasing purposes. These expenditures are accumulated until the equipment is ready for use and then are transferred to the lessee.

Settlements on equipment purchased for leasing purposes are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property and equipment comprises major components having different useful lives, they are accounted for as items of property and equipment.

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of the individual assets. Depreciation commences on the date of acquisition. Depreciation of assets under construction and those not placed in service commences from the date the assets are placed into service. The estimated useful lives are as follows:

- Premises: 30 years
- Equipment and machinery: 3-5 years
- Vehicles: 5 years
- Other: 5-7 years

Costs related to repairs and renewals are charged when incurred and included in general and administrative expenses, unless they qualify for capitalization.

Intangible assets

Intangible assets include computer software and licences. Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised over the useful economic lives of 5 to 10 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired.
Contingencies

Contingent liabilities are not recognised in the financial statements but are disclosed unless the possibility of any outflow in settlement is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Interest income and expenses

For all financial instruments measured at amortised cost and interest bearing securities classified as trading or available–for–sale, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense.

Fee and commission income and expense

Fees, commissions and other income and expense items are recorded on an accrual basis when the service has been provided.

General and administrative expenses

All expenses incurred by the Company other than those recorded in the separate lines of the statement of comprehensive income are recorded as general and administrative expenses. General and administrative expenses are recognized on the accrual basis in the period to which they relate.

Share capital

Share capital

Issued and paid ordinary shares are classified as equity. Any excess of the fair value of consideration received over the par value of shares issued is recognised as share premium.

Dividends

Dividends are recognised as a liability and deducted from equity at the reporting date only if they are declared before or on the reporting date. Dividends are disclosed when they are proposed before the reporting date or proposed or declared after the reporting date but before the financial statements are authorised for issue.

4. Use of estimates and judgements

Management makes a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with IFRSs. Actual results could differ from those estimates.
Finance Lease – Company as Lessor

The Company enters into leases arrangements with various counterparties. Under the terms of the lease agreements lessees obtain a purchase option in respect of the lease equipment, so they retain all the significant risks and rewards of ownership of the equipment, and accordingly the leases are accounted for as finance leases.

Allowance for impairment of loans and receivables

Management regularly reviews its lease portfolio and receivables to assess impairment. Management uses its experience and judgement to estimate the amount of any impairment loss in cases where a lessee is in financial difficulties and there are few available historical data relating to similar borrowers. Similarly, management estimates changes in future cash flows based on observable data indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with defaults by companies. Management uses its experienced judgement to adjust observable data for loans or receivables to reflect current circumstances.

5. New standards and interpretations

New standards and interpretations issued but not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective as at 31 December 2010, and are not applied in preparing these financial statements. Of these pronouncements, potentially the following will have an impact on the Company’s operations. The Company plans to adopt these pronouncements when they become effective.

The Company has not yet analysed the likely impact of these pronouncements on its financial statements, the most significant of which is as follows:

- IFRS 9 “Financial Instruments” will be effective for annual periods beginning on or after 1 January 2013. The new standard is to be issued in several phases and is intended to replace IAS 39 “Financial Instruments: Recognition and Measurement”. The first phase of IFRS 9 was issued in November 2009 and relates to the classification and measurement of financial assets. The second phase regarding classification and measurement of financial liabilities was published in October 2010. The remaining parts of the standard are expected to be issued during 2011. The Company recognizes that the new standard introduces many changes to the accounting for financial instruments and is likely to have a significant impact on the Company’s financial statements. The impact of these changes will be analyzed during the course of the project as further phases of the standard are issued.

- Improvements to IFRSs 2010 resulting from the International Accounting Standards Board’s third annual improvements project are to be dealt with on a standard-by-standard basis. The effective date of each amendment is included in the IFRSs affected.

6. Cash and cash equivalents

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank rated BBB</td>
<td>1 545 851</td>
<td>5 544 561</td>
</tr>
<tr>
<td>Bank rated BB+</td>
<td>15 650</td>
<td>123</td>
</tr>
<tr>
<td>Bank rated B+</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Other banks</td>
<td>9</td>
<td>157</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td><strong>1 561 515</strong></td>
<td><strong>5 544 850</strong></td>
</tr>
</tbody>
</table>

As at 31 December 2010 cash and cash equivalents include a deposit of RUB 1 124 058 thousand (31 December 2009: RUB 5 475 000 thousand). The interest rate on the deposit varies from 4.0% to 6.0% (31 December 2009: from 7.5% to 10.0%) depending on its outstanding amount and term. The Company
can withdraw funds placed into this deposit at any time before the agreed term but in this case the interest rate will significantly reduce.

The ratings shown in the table above represent classification by long term credit ratings as reported by S&P rating agency. In certain cases, when S&P’s rating agency did not award a rating on the counterparty, the rating of another well recognized rating agency is used, translated into S&P’s equivalent rating.

7. Net investment in leases

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross investment in leases</td>
<td>6 854 688</td>
<td>1 462 106</td>
</tr>
<tr>
<td>Unearned income</td>
<td>(2 034 474)</td>
<td>(362 317)</td>
</tr>
<tr>
<td><strong>Net investment in leases gross of impairment allowance</strong></td>
<td><strong>4 820 214</strong></td>
<td><strong>1 099 789</strong></td>
</tr>
<tr>
<td>Less impairment allowance</td>
<td>(35 692)</td>
<td>(16 078)</td>
</tr>
<tr>
<td><strong>Net investment in leases</strong></td>
<td><strong>4 784 522</strong></td>
<td><strong>1 083 711</strong></td>
</tr>
</tbody>
</table>

As at 31 December 2010 there were 1 647 (31 December 2009: 325) finance lease contracts.

The Company holds title to the leased assets during the lease term. Titles to the assets under finance lease agreements pass to the lessees at the end of the lease term. Risks related to the leased property such as damage and theft are insured. The beneficiary under the insurance policy on the vast majority of the lease agreements is the Company.

Net investments in leases are secured by assets for which leases were obtained, such as cars, special vehicles and equipment.

The vast majority of lease agreements are secured by personal sureties of lessees or third parties and/or buyback agreements with the suppliers of lease equipment.

The Company provides two types of finance lease products to its customers: preferential leases and commercial leases.

**Preferential leases**

Preferential leases are a specific lease product under which leases are issued at favorable terms. The program contains certain requirements relating to lessees and the leased assets. Lessees should belong to road construction, road infrastructure services and utilities industries or be a government entity. Leased assets are limited to road construction equipment and machinery, special road servicing vehicles, cargo and passenger transport. Leased assets should be new and produced or assembled in the Russian Federation. Preferential leases are funded by the charter capital of the Company. The lease terms under preferential leases vary from 3 to 5 years. The initial payment amount varies from 8.0% to 30.0% of the initial price of leased asset. Lease payments are made on a monthly basis.

**Commercial leases**

Commercial leases are a standard lease program under which leases are issued on market terms. The commercial leases program has no specific requirements to lessees except that they must meet requirements on their financial position and creditworthiness. There are no specific requirements related to the type of leased assets. These types of lease agreements are funded with borrowings from third parties. The lease term under commercial leases normally varies from 3 to 5 years. The initial payment amount varies from 10.0% to 30.0% of the initial price of leased asset. Lease payments are normally made on a monthly basis.
The breakdown of gross and net investment in leases by type of lease product as at 31 December 2010 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Gross investment in leases</th>
<th>Unearned income</th>
<th>Impairment allowance</th>
<th>Net investment in leases gross of impairment allowance</th>
<th>Impairment allowance</th>
<th>Net investment in leases</th>
<th>Net investment in leases as % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial lease</td>
<td>2 369 783</td>
<td>(1 054 154)</td>
<td></td>
<td>1 315 629</td>
<td>(15 712)</td>
<td>1 299 917</td>
<td>27.2</td>
</tr>
<tr>
<td>Preferential lease</td>
<td>4 484 905</td>
<td>(980 320)</td>
<td></td>
<td>3 504 585</td>
<td>(19 980)</td>
<td>3 484 605</td>
<td>72.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6 854 688</strong></td>
<td><strong>(2 034 474)</strong></td>
<td></td>
<td><strong>4 820 214</strong></td>
<td><strong>(35 692)</strong></td>
<td><strong>4 784 522</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

The breakdown of gross and net investment in leases by type of lease product as at 31 December 2009 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Gross investment in leases</th>
<th>Unearned income</th>
<th>Impairment allowance</th>
<th>Net investment in leases gross of impairment allowance</th>
<th>Impairment allowance</th>
<th>Net investment in leases</th>
<th>Net investment in leases as % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial lease</td>
<td>522 040</td>
<td>(119 930)</td>
<td></td>
<td>402 110</td>
<td>(9 764)</td>
<td>392 346</td>
<td>36.2</td>
</tr>
<tr>
<td>Preferential lease</td>
<td>940 066</td>
<td>(242 387)</td>
<td></td>
<td>697 679</td>
<td>(6 314)</td>
<td>691 365</td>
<td>63.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1 462 106</strong></td>
<td><strong>(362 317)</strong></td>
<td></td>
<td><strong>1 099 789</strong></td>
<td><strong>(16 078)</strong></td>
<td><strong>1 083 711</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

As at 31 December 2010 the weighted average interest rate for commercial leases is 17.6% (31 December 2009: 23.8%).

As at 31 December 2010 the weighted average interest rate for preferential leases is 13.5% (31 December 2009: 13.6%).

The outstanding contractual maturities of the net investment in leases as at 31 December 2010 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Gross investment in leases</th>
<th>Unearned income</th>
<th>Impairment allowance</th>
<th>Net investment in leases gross of impairment allowance</th>
<th>Impairment allowance</th>
<th>Net investment in leases</th>
<th>Net investment in leases as % of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one month</td>
<td>232 544</td>
<td>(67 388)</td>
<td></td>
<td>165 156</td>
<td>(14 684)</td>
<td>150 472</td>
<td></td>
</tr>
<tr>
<td>From one to three months</td>
<td>368 436</td>
<td>(130 312)</td>
<td></td>
<td>238 124</td>
<td>(1 077)</td>
<td>237 047</td>
<td></td>
</tr>
<tr>
<td>From three to six months</td>
<td>532 675</td>
<td>(182 503)</td>
<td></td>
<td>350 172</td>
<td>(1 583)</td>
<td>348 589</td>
<td></td>
</tr>
<tr>
<td>From six months to one year</td>
<td>979 013</td>
<td>(319 550)</td>
<td></td>
<td>659 463</td>
<td>(2 981)</td>
<td>656 482</td>
<td></td>
</tr>
<tr>
<td>From one year to five years</td>
<td>3 899 828</td>
<td>(1 060 387)</td>
<td></td>
<td>2 839 441</td>
<td>(12 777)</td>
<td>2 826 664</td>
<td></td>
</tr>
<tr>
<td>More than five years</td>
<td>842 192</td>
<td>(274 334)</td>
<td></td>
<td>567 858</td>
<td>(2 590)</td>
<td>565 268</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6 854 688</strong></td>
<td><strong>(2 034 474)</strong></td>
<td></td>
<td><strong>4 820 214</strong></td>
<td><strong>(35 692)</strong></td>
<td><strong>4 784 522</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>
The outstanding contractual maturities of the net investment in leases as at 31 December 2009 are as follows:

<table>
<thead>
<tr>
<th>Less than one month</th>
<th>Gross investment in leases</th>
<th>Unearned income</th>
<th>Net investment in leases gross of impairment allowance</th>
<th>Impairment allowance</th>
<th>Net investment in leases</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>61 710</td>
<td>(17 618)</td>
<td>44 092</td>
<td>(4 087)</td>
<td>40 005</td>
</tr>
<tr>
<td>From one to three months</td>
<td>101 120</td>
<td>(33 735)</td>
<td>67 385</td>
<td>(597)</td>
<td>66 788</td>
</tr>
<tr>
<td>From three to six months</td>
<td>151 623</td>
<td>(45 721)</td>
<td>105 902</td>
<td>(1 608)</td>
<td>104 294</td>
</tr>
<tr>
<td>From six months to one year</td>
<td>264 269</td>
<td>(74 705)</td>
<td>189 564</td>
<td>(3 585)</td>
<td>185 979</td>
</tr>
<tr>
<td>From one year to five years</td>
<td>883 384</td>
<td>(190 538)</td>
<td>692 846</td>
<td>(6 201)</td>
<td>686 645</td>
</tr>
<tr>
<td>Total</td>
<td>1 462 106</td>
<td>(362 317)</td>
<td>1 099 789</td>
<td>(16 078)</td>
<td>1 083 711</td>
</tr>
</tbody>
</table>

The currency breakdown of the net investments in leases as at 31 December 2010 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>Gross investment in leases</th>
<th>Unearned income</th>
<th>Net investment in leases gross of impairment allowance</th>
<th>Impairment allowance</th>
<th>Net investment in leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>89 688</td>
<td>(6 235)</td>
<td>83 453</td>
<td>(7 548)</td>
<td>75 905</td>
</tr>
<tr>
<td>RUB</td>
<td>6 765 000</td>
<td>(2 028 239)</td>
<td>4 736 761</td>
<td>(28 144)</td>
<td>4 708 617</td>
</tr>
<tr>
<td>Total</td>
<td>6 854 688</td>
<td>(2 034 474)</td>
<td>4 820 214</td>
<td>(35 692)</td>
<td>4 784 522</td>
</tr>
</tbody>
</table>

The currency breakdown of the net investments in leases as at 31 December 2009 is as follows:

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<tr>
<th></th>
<th>Gross investment in leases</th>
<th>Unearned income</th>
<th>Net investment in leases gross of impairment allowance</th>
<th>Impairment allowance</th>
<th>Net investment in leases</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>244 156</td>
<td>(39 092)</td>
<td>205 064</td>
<td>(1 858)</td>
<td>203 206</td>
</tr>
<tr>
<td>RUB</td>
<td>1 217 950</td>
<td>(323 225)</td>
<td>894 725</td>
<td>(14 220)</td>
<td>880 505</td>
</tr>
<tr>
<td>Total</td>
<td>1 462 106</td>
<td>(362 317)</td>
<td>1 099 789</td>
<td>(16 078)</td>
<td>1 083 711</td>
</tr>
</tbody>
</table>
The industry breakdown of net investment in leases is as follows:

<table>
<thead>
<tr>
<th>Industry</th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>%</td>
</tr>
<tr>
<td>Road construction</td>
<td>3 118 080</td>
<td>64.7</td>
</tr>
<tr>
<td>Railroad</td>
<td>815 017</td>
<td>16.9</td>
</tr>
<tr>
<td>Construction</td>
<td>278 618</td>
<td>5.8</td>
</tr>
<tr>
<td>Transportation services</td>
<td>200 951</td>
<td>4.2</td>
</tr>
<tr>
<td>Air transport</td>
<td>199 510</td>
<td>4.1</td>
</tr>
<tr>
<td>Naval transport</td>
<td>76 260</td>
<td>1.6</td>
</tr>
<tr>
<td>Leasing</td>
<td>66 118</td>
<td>1.3</td>
</tr>
<tr>
<td>Pipeline</td>
<td>28 974</td>
<td>0.6</td>
</tr>
<tr>
<td>Wood</td>
<td>18 686</td>
<td>0.4</td>
</tr>
<tr>
<td>Extractions</td>
<td>9 540</td>
<td>0.2</td>
</tr>
<tr>
<td>Utilities</td>
<td>8 460</td>
<td>0.2</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Net investment in leases gross of impairment allowance</strong></td>
<td><strong>4 820 214</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Less impairment allowance</td>
<td>(35 692)</td>
<td>(16 078)</td>
</tr>
<tr>
<td><strong>Net investment in leases</strong></td>
<td><strong>4 784 522</strong></td>
<td></td>
</tr>
</tbody>
</table>

The geographical breakdown of net investment in leases is as follows:

<table>
<thead>
<tr>
<th>Region</th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>%</td>
</tr>
<tr>
<td>Moscow and Moscow region</td>
<td>1 588 182</td>
<td>33.0</td>
</tr>
<tr>
<td>Privoljsky region</td>
<td>802 668</td>
<td>16.7</td>
</tr>
<tr>
<td>Central region</td>
<td>615 771</td>
<td>12.8</td>
</tr>
<tr>
<td>South region</td>
<td>556 024</td>
<td>11.5</td>
</tr>
<tr>
<td>Siberia region</td>
<td>462 423</td>
<td>9.6</td>
</tr>
<tr>
<td>North-West region</td>
<td>432 608</td>
<td>8.9</td>
</tr>
<tr>
<td>Far-East region</td>
<td>261 526</td>
<td>5.4</td>
</tr>
<tr>
<td>North-Caucasus region</td>
<td>85 832</td>
<td>1.8</td>
</tr>
<tr>
<td>Ural region</td>
<td>15 180</td>
<td>0.3</td>
</tr>
<tr>
<td><strong>Net investment in leases gross of impairment allowance</strong></td>
<td><strong>4 820 214</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td>Less impairment allowance</td>
<td>(35 692)</td>
<td>(16 078)</td>
</tr>
<tr>
<td><strong>Net investment in leases</strong></td>
<td><strong>4 784 522</strong></td>
<td></td>
</tr>
</tbody>
</table>
Movement in allowance for impairment is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>16 078</td>
<td>5 134</td>
</tr>
<tr>
<td>Net charge</td>
<td>19 614</td>
<td>10 944</td>
</tr>
<tr>
<td><strong>Balance at the end of the year</strong></td>
<td><strong>35 692</strong></td>
<td><strong>16 078</strong></td>
</tr>
</tbody>
</table>

*Including:*

**Concentration of net investment in leases**

As at 31 December 2010 the Company had the following ten largest lessees:

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Net investment in leases</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>ZAO “TGK”</td>
<td>815 017</td>
<td>16.9</td>
</tr>
<tr>
<td>OOO “Dorsnab”</td>
<td>230 534</td>
<td>4.8</td>
</tr>
<tr>
<td>OAO “Mezhdunarodniy aeroport Sheremetevo”</td>
<td>186 279</td>
<td>3.9</td>
</tr>
<tr>
<td>Komitet po doroznomu hoziaistvu merii Ulianovska</td>
<td>182 115</td>
<td>3.8</td>
</tr>
<tr>
<td>ZAO “Dorogi chernozemia”</td>
<td>148 598</td>
<td>3.1</td>
</tr>
<tr>
<td>OAO “Primavtodor”</td>
<td>122 681</td>
<td>2.6</td>
</tr>
<tr>
<td>OAO “Dorozhnaia sluzhba Irkutskoi oblasti”</td>
<td>120 638</td>
<td>2.5</td>
</tr>
<tr>
<td>OAO “KDB”</td>
<td>91 502</td>
<td>1.9</td>
</tr>
<tr>
<td>ZAO “PO ROSDorStroy”</td>
<td>78 776</td>
<td>1.6</td>
</tr>
<tr>
<td>FGUP “Rosmorport”</td>
<td>76 260</td>
<td>1.6</td>
</tr>
</tbody>
</table>

As at 31 December 2009 the Company had the following ten largest lessees:

<table>
<thead>
<tr>
<th>Lessee</th>
<th>Net investment in leases</th>
<th>% of portfolio</th>
</tr>
</thead>
<tbody>
<tr>
<td>FGUP “Rosmorport”</td>
<td>201 498</td>
<td>18.3</td>
</tr>
<tr>
<td>ZAO “PO ROSDorStroy”</td>
<td>96 993</td>
<td>8.8</td>
</tr>
<tr>
<td>OAO “Ryasanavtodor”</td>
<td>95 018</td>
<td>8.6</td>
</tr>
<tr>
<td>OAO “Mezhdunarodniy aeroport Sheremetevo”</td>
<td>82 227</td>
<td>7.5</td>
</tr>
<tr>
<td>OAO “AstrahanPassagireTrans”</td>
<td>61 305</td>
<td>5.6</td>
</tr>
<tr>
<td>OAO DEP №3</td>
<td>32 464</td>
<td>3.0</td>
</tr>
<tr>
<td>FGUP “Buriatavtodor”</td>
<td>31 740</td>
<td>2.9</td>
</tr>
<tr>
<td>OOO “Rentteh”</td>
<td>30 414</td>
<td>2.8</td>
</tr>
<tr>
<td>OAO DEP №2</td>
<td>28 731</td>
<td>2.6</td>
</tr>
<tr>
<td>OAO EDSU № 3</td>
<td>24 199</td>
<td>2.2</td>
</tr>
</tbody>
</table>

As at 31 December 2010 the amount of gross investment in leases on contracts that have been signed but have not commenced is RUB 3 620 083 thousand (31 December 2009: RUB 853 423 thousand).
8. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade receivables</td>
<td>238 545</td>
<td>612 940</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>39 830</td>
<td>14 312</td>
</tr>
<tr>
<td>(other than for leased</td>
<td></td>
<td></td>
</tr>
<tr>
<td>assets and property</td>
<td></td>
<td></td>
</tr>
<tr>
<td>and equipment)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social taxes receivable</td>
<td>409</td>
<td>-</td>
</tr>
<tr>
<td>Other tax receivables</td>
<td>72</td>
<td>11 027</td>
</tr>
<tr>
<td>Other receivables</td>
<td>35 094</td>
<td>32 364</td>
</tr>
<tr>
<td>Less impairment allowance</td>
<td>(19 231)</td>
<td>(28 853)</td>
</tr>
<tr>
<td>Total trade and other</td>
<td>294 719</td>
<td>641 790</td>
</tr>
<tr>
<td>receivables</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Movement in the allowance for impairment is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>beginning of the</td>
<td>28 853</td>
<td>28 650</td>
</tr>
<tr>
<td>year</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net charge</td>
<td>1 807</td>
<td>203</td>
</tr>
<tr>
<td>Write-offs</td>
<td>(11 429)</td>
<td>-</td>
</tr>
<tr>
<td>Balance at the</td>
<td>19 231</td>
<td>28 853</td>
</tr>
<tr>
<td>end of the year</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The impairment allowance for trade and other receivables as at 31 December 2010 and 2009 relate to other receivables overdue more than 360 days.

9. Advances to suppliers

Advances to suppliers represent prepayments for assets to be leased.

As at 31 December 2010 advances were issued to the following suppliers:

<table>
<thead>
<tr>
<th>Advances to suppliers</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAO “KAMAZ”</td>
<td>21.7</td>
</tr>
<tr>
<td>OOO “Russkie avtobusy”</td>
<td>16.9</td>
</tr>
<tr>
<td>OOO “Specchemika – GAZ”</td>
<td>12.5</td>
</tr>
<tr>
<td>OOO “Dormash – international”</td>
<td>12.3</td>
</tr>
<tr>
<td>OAO “KORMZ”</td>
<td>6.9</td>
</tr>
<tr>
<td>ZAO “Becema”</td>
<td>6.0</td>
</tr>
<tr>
<td>OOO “Merkator Holding”</td>
<td>5.3</td>
</tr>
<tr>
<td>OAO “ToMeZ”</td>
<td>5.1</td>
</tr>
<tr>
<td>Others</td>
<td>13.3</td>
</tr>
<tr>
<td>Total</td>
<td>100.0</td>
</tr>
</tbody>
</table>
As at 31 December 2009 advances were issued to the following suppliers:

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Advances to suppliers</th>
<th>% of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>OAO “KAMAZ”</td>
<td>1,358,442</td>
<td>42.5</td>
</tr>
<tr>
<td>OOO “Spectehnika – GAZ”</td>
<td>960,957</td>
<td>30.1</td>
</tr>
<tr>
<td>OOO “TD SOLLERS”</td>
<td>500,126</td>
<td>15.7</td>
</tr>
<tr>
<td>OOO “Merkator Holding”</td>
<td>106,855</td>
<td>3.3</td>
</tr>
<tr>
<td>OOO “Dormash – international”</td>
<td>71,397</td>
<td>2.2</td>
</tr>
<tr>
<td>OAO “HOMEZ”</td>
<td>58,324</td>
<td>1.8</td>
</tr>
<tr>
<td>ZAO “Becema”</td>
<td>57,525</td>
<td>1.8</td>
</tr>
<tr>
<td>OAO “KORMZ”</td>
<td>45,140</td>
<td>1.4</td>
</tr>
<tr>
<td>Others</td>
<td>36,884</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,195,650</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

As at 31 December 2010 and 2009 there were no signs of impairment of advances to suppliers.

10. Inventories

Inventories generally represent assets repossessed by the Company from delinquent lessees under cancelled finance lease contracts and spare parts and materials.

When the Company takes possession of the collateral under terminated lease contracts, it measures the obtained assets at the lower of cost, which is equivalent to the net investment in the related lease, or net realizable value. When estimating the net realizable value the Company makes assumptions to assess the market values depending on the type of asset being assessed and then applies market realization cost adjustments to certain types of assets for obsolescence, illiquidity and trade discounts expected.

<table>
<thead>
<tr>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment and vehicles repossessed after the termination of lease agreements</td>
<td>20,404</td>
</tr>
<tr>
<td>Office supplies</td>
<td>1,724</td>
</tr>
<tr>
<td><strong>Total inventories</strong></td>
<td><strong>22,128</strong></td>
</tr>
</tbody>
</table>
11. Property and equipment

Movements in property and equipment are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Premises</th>
<th>Equipment and machinery</th>
<th>Vehicles</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 2009</td>
<td>22 032</td>
<td>3 836</td>
<td>1 928</td>
<td>1 753</td>
<td>29 549</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>3 175</td>
<td>7 206</td>
<td>5 176</td>
<td>15 557</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(469)</td>
<td>-</td>
<td>(222)</td>
<td>(691)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2009</strong></td>
<td>22 032</td>
<td>6 542</td>
<td>9 134</td>
<td>6 707</td>
<td>44 415</td>
</tr>
<tr>
<td>Additions</td>
<td>-</td>
<td>5 297</td>
<td>5 355</td>
<td>1 008</td>
<td>11 660</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>(782)</td>
<td>(1 351)</td>
<td>(723)</td>
<td>(2 856)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2010</strong></td>
<td>22 032</td>
<td>11 057</td>
<td>13 138</td>
<td>6 992</td>
<td>53 219</td>
</tr>
<tr>
<td><strong>Accumulated depreciation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 2009</td>
<td>(1 464)</td>
<td>(3 129)</td>
<td>(1 352)</td>
<td>(1 309)</td>
<td>(7 254)</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(732)</td>
<td>(700)</td>
<td>(564)</td>
<td>(424)</td>
<td>(2 420)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>398</td>
<td>-</td>
<td>190</td>
<td>588</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2009</strong></td>
<td>(2 196)</td>
<td>(3 431)</td>
<td>(1 916)</td>
<td>(1 543)</td>
<td>(9 086)</td>
</tr>
<tr>
<td>Depreciation charge</td>
<td>(691)</td>
<td>(1 827)</td>
<td>(1 971)</td>
<td>(933)</td>
<td>(5 422)</td>
</tr>
<tr>
<td>Disposals</td>
<td>-</td>
<td>782</td>
<td>1 351</td>
<td>723</td>
<td>2 856</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2010</strong></td>
<td>(2 887)</td>
<td>(4 476)</td>
<td>(2 536)</td>
<td>(1 753)</td>
<td>(11 652)</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2009</td>
<td>20 568</td>
<td>707</td>
<td>576</td>
<td>444</td>
<td>22 295</td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>19 836</td>
<td>3 111</td>
<td>7 218</td>
<td>5 164</td>
<td>35 329</td>
</tr>
<tr>
<td>At 31 December 2010</td>
<td>19 145</td>
<td>6 581</td>
<td>10 602</td>
<td>5 239</td>
<td>41 567</td>
</tr>
</tbody>
</table>
12. Intangible assets

Movements in intangible assets are as follows:

<table>
<thead>
<tr>
<th></th>
<th>Software</th>
<th>Software under development</th>
<th>Internet site, certificates and licenses</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 2009</td>
<td>2 963</td>
<td>-</td>
<td>1</td>
<td>2 964</td>
</tr>
<tr>
<td>Additions</td>
<td>1 333</td>
<td>-</td>
<td>250</td>
<td>1 583</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2009</strong></td>
<td>4 296</td>
<td>-</td>
<td>251</td>
<td>4 547</td>
</tr>
<tr>
<td>Additions</td>
<td>3 293</td>
<td>55</td>
<td>1 589</td>
<td>4 937</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2010</strong></td>
<td>7 589</td>
<td>55</td>
<td>1 840</td>
<td>9 484</td>
</tr>
<tr>
<td><strong>Accumulated amortization</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 1 January 2009</td>
<td>(707)</td>
<td>-</td>
<td>(1)</td>
<td>(708)</td>
</tr>
<tr>
<td>Amortization charge</td>
<td>(707)</td>
<td>-</td>
<td>(76)</td>
<td>(783)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2009</strong></td>
<td>(1 414)</td>
<td>-</td>
<td>(77)</td>
<td>(1 491)</td>
</tr>
<tr>
<td>Amortization charge</td>
<td>(1 545)</td>
<td>-</td>
<td>(147)</td>
<td>(1 692)</td>
</tr>
<tr>
<td><strong>Balance at 31 December 2010</strong></td>
<td>(2 959)</td>
<td>-</td>
<td>(224)</td>
<td>(3 183)</td>
</tr>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 January 2009</td>
<td>2 256</td>
<td>-</td>
<td>-</td>
<td>2 256</td>
</tr>
<tr>
<td>At 31 December 2009</td>
<td>2 882</td>
<td>-</td>
<td>174</td>
<td>3 056</td>
</tr>
<tr>
<td><strong>At 31 December 2010</strong></td>
<td>4 630</td>
<td>55</td>
<td>1 616</td>
<td>6 301</td>
</tr>
</tbody>
</table>

13. Taxation

**Income tax expense**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current tax charge</td>
<td>(61 034)</td>
<td>(31 443)</td>
</tr>
<tr>
<td>Deferred tax movement due to origination and reversal of temporary differences</td>
<td>19 494</td>
<td>(8 880)</td>
</tr>
<tr>
<td><strong>Income tax expense for the year</strong></td>
<td>(41 540)</td>
<td>(40 323)</td>
</tr>
</tbody>
</table>

**Reconciliation of effective tax rate**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>166 272</td>
<td>156 750</td>
</tr>
<tr>
<td>Theoretical income tax charge (at the statutory tax rate: 20%)</td>
<td>(33 254)</td>
<td>(31 350)</td>
</tr>
<tr>
<td>Non-deductible costs</td>
<td>(8 286)</td>
<td>(8 973)</td>
</tr>
<tr>
<td><strong>Income tax expense for the year</strong></td>
<td>(41 540)</td>
<td>(40 323)</td>
</tr>
</tbody>
</table>
Recognized deferred tax assets and liabilities

The difference between IFRS and Russian statutory taxation regulations give rise to temporary differences between the carrying value of certain assets and liabilities for financial reporting purposes and for income tax purposes. Deferred income tax assets and liabilities are measured at 20% as at 31 December 2010 and 2009, the rate applicable when the asset or liability will reverse.

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax effect of deductible temporary differences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other payables and receivables</td>
<td>10 512</td>
<td>7 510</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>6 205</td>
<td>-</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>752</td>
<td>613</td>
</tr>
<tr>
<td><strong>Deferred tax asset</strong></td>
<td><strong>17 469</strong></td>
<td><strong>8 123</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax effect of taxable temporary differences</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>-</td>
<td>(10 148)</td>
</tr>
<tr>
<td><strong>Deferred tax liability</strong></td>
<td><strong>-</strong></td>
<td><strong>(10 148)</strong></td>
</tr>
<tr>
<td><strong>Net deferred tax asset (liability)</strong></td>
<td><strong>17 469</strong></td>
<td><strong>(2 025)</strong></td>
</tr>
</tbody>
</table>

Movement in temporary differences

Movements in temporary differences for the year ended 31 December 2010 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2009</th>
<th>Recognized in profit or loss</th>
<th>31 December 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in leases</td>
<td>(10 148)</td>
<td>16 353</td>
<td>6 205</td>
</tr>
<tr>
<td>Other payables and receivables</td>
<td>7 510</td>
<td>3 002</td>
<td>10 512</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>613</td>
<td>139</td>
<td>752</td>
</tr>
<tr>
<td><strong>Net deferred tax (liability) asset</strong></td>
<td><strong>(2 025)</strong></td>
<td><strong>19 494</strong></td>
<td><strong>17 469</strong></td>
</tr>
</tbody>
</table>

Movements in temporary differences for the year ended 31 December 2009 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2008</th>
<th>Recognized in profit or loss</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in leases</td>
<td>(10 771)</td>
<td>623</td>
<td>(10 148)</td>
</tr>
<tr>
<td>Other payables and receivables</td>
<td>6 940</td>
<td>570</td>
<td>7 510</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>293</td>
<td>320</td>
<td>613</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>(451)</td>
<td>451</td>
<td>-</td>
</tr>
<tr>
<td>Tax loss carry forwards</td>
<td>10 844</td>
<td>(10 844)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net deferred tax asset (liability)</strong></td>
<td><strong>6 855</strong></td>
<td><strong>(8 880)</strong></td>
<td><strong>(2 025)</strong></td>
</tr>
</tbody>
</table>

14. Loans received and promissory notes issued

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured bank loans</td>
<td>1 745 522</td>
<td>420 566</td>
</tr>
<tr>
<td>Promissory notes issued</td>
<td>-</td>
<td>10 002</td>
</tr>
<tr>
<td><strong>Total loans received and promissory notes issued</strong></td>
<td><strong>1 745 522</strong></td>
<td><strong>430 568</strong></td>
</tr>
</tbody>
</table>
The bank loans were received to purchase assets to be leased. The loans received are collateralized by the assets or rights to lease agreements.

As at 31 December 2010 the Company attracted secured bank loans with interest rates varying from 9.8% to 11.9% (31 December 2009: from 10.0% to 16.0%) in Russian Roubles, and at 7.5% (31 December 2009: 10.0%) in EUR. As at 31 December 2010 the Company has no issued promissory notes (as at 31 December 2009 the interest rate on promissory notes issued in RUB is 15.0%).

There were no financial covenants required by loan agreements.

The remaining contractual maturity of loans received as at 31 December 2010 is as follows:

<table>
<thead>
<tr>
<th>31 December 2010</th>
<th>Secured bank loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one month</td>
<td>28 438</td>
</tr>
<tr>
<td>From one to three months</td>
<td>65 898</td>
</tr>
<tr>
<td>From three to six months</td>
<td>97 741</td>
</tr>
<tr>
<td>From six months to one year</td>
<td>140 495</td>
</tr>
<tr>
<td>From one year to five years</td>
<td>1 412 950</td>
</tr>
<tr>
<td><strong>Total loans received</strong></td>
<td><strong>1 745 522</strong></td>
</tr>
</tbody>
</table>

The remaining contractual maturity of loans received and promissory notes issued as at 31 December 2009 is as follows:

<table>
<thead>
<tr>
<th>31 December 2009</th>
<th>Secured bank loans</th>
<th>Promissory notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one month</td>
<td>27 299</td>
<td>1 420</td>
<td>28 719</td>
</tr>
<tr>
<td>From one to three months</td>
<td>143 717</td>
<td>2 840</td>
<td>146 557</td>
</tr>
<tr>
<td>From three to six months</td>
<td>41 154</td>
<td>3 124</td>
<td>44 278</td>
</tr>
<tr>
<td>From six months to one year</td>
<td>146 956</td>
<td>2 618</td>
<td>149 574</td>
</tr>
<tr>
<td>From one year to five years</td>
<td>61 440</td>
<td>-</td>
<td>61 440</td>
</tr>
<tr>
<td><strong>Total loans received and promissory notes issued</strong></td>
<td><strong>420 566</strong></td>
<td><strong>10 002</strong></td>
<td><strong>430 568</strong></td>
</tr>
</tbody>
</table>

The currency breakdown of loans received as at 31 December 2010 is as follows:

<table>
<thead>
<tr>
<th>31 December 2010</th>
<th>Secured bank loans</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>62 113</td>
</tr>
<tr>
<td>RUB</td>
<td>1 683 409</td>
</tr>
<tr>
<td><strong>Total loans received</strong></td>
<td><strong>1 745 522</strong></td>
</tr>
</tbody>
</table>
The currency breakdown of loans received and promissory notes issued as at 31 December 2009 is as follows:

<table>
<thead>
<tr>
<th>EUR</th>
<th>Secured bank loans</th>
<th>Promissory notes</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>213 904</td>
<td></td>
<td>-</td>
<td>213 904</td>
</tr>
<tr>
<td>206 662</td>
<td></td>
<td>10 002</td>
<td>216 664</td>
</tr>
</tbody>
</table>

Total loans received and promissory notes issued: 420 566 + 10 002 = 430 568

15. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts payable to employees</td>
<td>12 658</td>
<td>4</td>
</tr>
<tr>
<td>Provision for unused vacations</td>
<td>9 238</td>
<td>3 434</td>
</tr>
<tr>
<td>Dividends to be paid</td>
<td>7 164</td>
<td>7 164</td>
</tr>
<tr>
<td>Trade payables</td>
<td>4 932</td>
<td>9 741</td>
</tr>
<tr>
<td>Other payables</td>
<td>1 359</td>
<td>912</td>
</tr>
</tbody>
</table>

Total trade and other payables: 35 351 + 21 255 = 56 606

16. Other than income taxes payable

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property tax</td>
<td>25 075</td>
<td>-</td>
</tr>
<tr>
<td>Employee income tax</td>
<td>1 076</td>
<td>25</td>
</tr>
<tr>
<td>Transport tax</td>
<td>817</td>
<td>829</td>
</tr>
<tr>
<td>Other tax payable</td>
<td>-</td>
<td>13</td>
</tr>
</tbody>
</table>

Total income tax and other tax payable: 26 968 + 867 = 27 835

17. Share capital

As at 31 December 2010 and as at 31 December 2009, registered, issued and fully paid share capital comprised RUB 10 001 000 thousand.

**Ordinary shares**

All shares rank equally with regard to the Company’s residual assets. The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at general shareholders’ meetings of the Company.

**Dividends**

In accordance with Russian legislation the Company’s distributable reserves are limited to the balance of retained earnings as recorded in the Company’s statutory financial statements prepared in accordance with Russian accounting principles. In accordance with Russian accounting principles, as at the reporting date, reserves available for distribution amount to RUB 217 994 thousand (2009: RUB 51 662 thousand).

During 2010, the Company declared and paid dividends for the year ended 31 December 2009, in the amount of RUB 18.076 per one share totalling RUB 18 078 thousand.
## 18. Net interest income

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease interest income</td>
<td>334 482</td>
<td>110 515</td>
</tr>
<tr>
<td>Other interest income</td>
<td>290 780</td>
<td>282 452</td>
</tr>
<tr>
<td><strong>Total interest income</strong></td>
<td>625 262</td>
<td>392 967</td>
</tr>
<tr>
<td><strong>Interest expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank loans</td>
<td>(43 678)</td>
<td>(63 507)</td>
</tr>
<tr>
<td>Promissory notes issued</td>
<td>(324)</td>
<td>(4 063)</td>
</tr>
<tr>
<td><strong>Total interest expense</strong></td>
<td>(44 002)</td>
<td>(67 570)</td>
</tr>
<tr>
<td><strong>Net interest income</strong></td>
<td>581 260</td>
<td>325 397</td>
</tr>
</tbody>
</table>

## 19. Administrative expenses

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary and related social costs</td>
<td>239 800</td>
<td>86 304</td>
</tr>
<tr>
<td>Advertising and representation expenses</td>
<td>42 543</td>
<td>1 384</td>
</tr>
<tr>
<td>Rent of premises</td>
<td>29 473</td>
<td>22 084</td>
</tr>
<tr>
<td>Transportation expenses</td>
<td>11 840</td>
<td>3 223</td>
</tr>
<tr>
<td>Business-travel services</td>
<td>11 188</td>
<td>2 338</td>
</tr>
<tr>
<td>Information and consulting services</td>
<td>10 894</td>
<td>7 215</td>
</tr>
<tr>
<td>Materials and stationery</td>
<td>6 884</td>
<td>5 218</td>
</tr>
<tr>
<td>Communication services</td>
<td>6 129</td>
<td>1 856</td>
</tr>
<tr>
<td>Depreciation of property and equipment</td>
<td>5 422</td>
<td>2 420</td>
</tr>
<tr>
<td>Insurance expenses</td>
<td>1 480</td>
<td>191</td>
</tr>
<tr>
<td>Security</td>
<td>2 994</td>
<td>1 649</td>
</tr>
<tr>
<td>Repair and maintenance of equipment</td>
<td>2 866</td>
<td>2 299</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>1 692</td>
<td>783</td>
</tr>
<tr>
<td>Other taxes</td>
<td>1 015</td>
<td>668</td>
</tr>
<tr>
<td>Other administrative expenses</td>
<td>6 733</td>
<td>3 043</td>
</tr>
<tr>
<td><strong>Total administrative expenses</strong></td>
<td>380 953</td>
<td>140 675</td>
</tr>
</tbody>
</table>
20. Other operating income and expenses

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income from charges and penalties</td>
<td>7 323</td>
<td>2 735</td>
</tr>
<tr>
<td>Gain on disposal of property and equipment</td>
<td>909</td>
<td>446</td>
</tr>
<tr>
<td>Other income</td>
<td>3 981</td>
<td>2 014</td>
</tr>
<tr>
<td><strong>Total other operating income</strong></td>
<td><strong>12 213</strong></td>
<td><strong>5 195</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other operating expenses</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges and penalties</td>
<td>(13 688)</td>
<td>(19 173)</td>
</tr>
<tr>
<td>Banking charges</td>
<td>(3 204)</td>
<td>(1 423)</td>
</tr>
<tr>
<td>Write-off of trade and other receivables</td>
<td>(1 904)</td>
<td>(419)</td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>(1 163)</td>
<td>(2 360)</td>
</tr>
<tr>
<td><strong>Total other operating expenses</strong></td>
<td><strong>(19 959)</strong></td>
<td><strong>(23 375)</strong></td>
</tr>
</tbody>
</table>

Net other operating income and expenses  

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net other operating income and expenses</td>
<td>(7 746)</td>
<td>(18 180)</td>
</tr>
</tbody>
</table>

21. Impairment losses

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net investment in leases</td>
<td>19 614</td>
<td>10 944</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1 807</td>
<td>203</td>
</tr>
<tr>
<td><strong>Total impairment losses</strong></td>
<td><strong>21 421</strong></td>
<td><strong>11 147</strong></td>
</tr>
</tbody>
</table>

22. Financial risk management

The operations of the Company result in credit, market and liquidity risks. In addition to these financial risks, the operations of the Company are also exposed to operational, business and other non-financial risks.

The Company has implemented a continuous risk management process in order to control the level of risks and restrict losses resulting from financial and non-financial risks. The risk management system is based on an integrated approach of identification, assessment, monitoring and control of risks accepted by the Company. The risk management policies and procedures are subject to continuous improvement and are implemented to comply with legal requirements and prudential norms, best practices and standards, and internal regulations of the Company.

**Risk management structure**

Risk management functions are implemented at all corporate governance levels and are allocated as follows.

**Board of Directors** performs supervisory functions and provides overall assurance over the risk management process.

**Leasing Council** ensures the implementation of strategy, approves the risk management policy, allocates the risk management functions between the governance bodies and business units of the Company and controls their performance. The responsibility of the Leasing Council includes the approval of total risk limits by type of risk and type of business. The Leasing Council reviews risk level reports on a regular basis and reallocates the risk limits where necessary to maintain the pre-set strategic risk profile.
In order to ensure the efficient operation of the risk management system, the Leasing Council delegates the risk limits to other collegial bodies, individual business units and employees.

**Budgeting and Economic Department** ensures the implementation of policies related to the management of structural risks of the statement of financial position, including foreign currency risk, interest rate risk and liquidity risk.

Day-to-day management of foreign currency risk, interest rate risk and liquidity risk is performed by the **Treasury** within the limits of roles delegated by Budgeting and Economic Department.

**Risk Management Department** performs centralized risk management tasks and is responsible for the development of risk management policies and procedures and for identification, assessment and control of risks.

**Credit Risk Department** is responsible for the implementation of the credit policy pertaining to lease financing. Section “Credit risk” contains additional information on the credit decision-making process.

**Economic Security Department** assesses non-credit risks such as reputational risks or any information on unreliability of a client.

**Internal Audit Department** performs internal audit tasks under which it assesses the effectiveness of the risk management system taken as a whole and in individual business areas. Internal control function presents the findings of its reviews to the General Director and the Board of Directors.

**Credit risk**

Credit risk is the risk that the Company will incur a financial loss because its counterparties fail to discharge their financial obligations in full or in part when due.

Exposure to credit risk without taking into account any collateral and netting agreements is the following:

<table>
<thead>
<tr>
<th>Note</th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>1 561 515</td>
<td>5 544 850</td>
</tr>
<tr>
<td>7</td>
<td>4 784 522</td>
<td>1 083 711</td>
</tr>
<tr>
<td>8</td>
<td>294 719</td>
<td>641 790</td>
</tr>
<tr>
<td>9</td>
<td>4 613 705</td>
<td>3 195 650</td>
</tr>
</tbody>
</table>

**Total credit risk exposure**

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11 254 461</td>
<td>10 466 001</td>
</tr>
</tbody>
</table>
The information about the credit quality of financial assets as at 31 December 2010 is as follows:

<table>
<thead>
<tr>
<th>Net investment in leases</th>
<th>Gross amount</th>
<th>Impairment allowance</th>
<th>Net amount</th>
<th>Impairment allowance to gross amount,%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts for which no individual impairment has been identified:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-overdue</td>
<td>4 772 856</td>
<td>(21 819)</td>
<td>4 751 037</td>
<td>0.5</td>
</tr>
<tr>
<td>- overdue 1-30 days</td>
<td>23 803</td>
<td>(111)</td>
<td>23 692</td>
<td>0.5</td>
</tr>
<tr>
<td>- overdue 31-90 days</td>
<td>4 954</td>
<td>(30)</td>
<td>4 924</td>
<td>0.6</td>
</tr>
<tr>
<td><strong>Total net investment in leases for which no individual impairment has been identified</strong></td>
<td><strong>4 801 613</strong></td>
<td><strong>(21 960)</strong></td>
<td><strong>4 779 653</strong></td>
<td><strong>0.5</strong></td>
</tr>
<tr>
<td>Impaired net investment in leases:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-overdue</td>
<td>5 410</td>
<td>(541)</td>
<td>4 869</td>
<td>10.0</td>
</tr>
<tr>
<td>- overdue 1-30 days</td>
<td>234</td>
<td>(234)</td>
<td>-</td>
<td>100.0</td>
</tr>
<tr>
<td>- overdue 31-180 days</td>
<td>776</td>
<td>(776)</td>
<td>-</td>
<td>100.0</td>
</tr>
<tr>
<td>- overdue more than 180 days</td>
<td>12 181</td>
<td>(12 181)</td>
<td>-</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total impaired net investment in leases</strong></td>
<td><strong>18 601</strong></td>
<td><strong>(13 732)</strong></td>
<td><strong>4 869</strong></td>
<td><strong>73.8</strong></td>
</tr>
<tr>
<td><strong>Total net investment in leases</strong></td>
<td><strong>4 820 214</strong></td>
<td><strong>(35 692)</strong></td>
<td><strong>4 784 522</strong></td>
<td><strong>0.7</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Trade and other receivables</th>
<th>Gross amount</th>
<th>Impairment allowance</th>
<th>Net amount</th>
<th>Impairment allowance to gross amount,%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables for which no individual impairment has been identified:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-overdue</td>
<td>294 719</td>
<td>-</td>
<td>294 719</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Total trade and other receivables for which no individual impairment has been identified</strong></td>
<td><strong>294 719</strong></td>
<td>-</td>
<td><strong>294 719</strong></td>
<td><strong>0.0</strong></td>
</tr>
<tr>
<td>Impaired trade and other receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- overdue more than 180 days</td>
<td>19 231</td>
<td>(19 231)</td>
<td>-</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>Total impaired trade and other receivables</strong></td>
<td><strong>19 231</strong></td>
<td><strong>(19 231)</strong></td>
<td><strong>-</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td><strong>313 950</strong></td>
<td><strong>(19 231)</strong></td>
<td><strong>294 719</strong></td>
<td><strong>6.1</strong></td>
</tr>
</tbody>
</table>
The information about the credit quality of financial assets as at 31 December 2009 is the following:

<table>
<thead>
<tr>
<th>Net investments in leases</th>
<th>Gross amount</th>
<th>Impairment allowance</th>
<th>Net amount</th>
<th>Impairment allowance to gross amount,%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracts for which no individual impairment has been identified:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-overdue</td>
<td>1 064 089</td>
<td>(9 632)</td>
<td>1 054 457</td>
<td>0.9</td>
</tr>
<tr>
<td>- overdue 1-30 days</td>
<td>5 286</td>
<td>(48)</td>
<td>5 238</td>
<td>0.9</td>
</tr>
<tr>
<td>Total net investment in leases for which no individual impairment has been identified</td>
<td>1 069 375</td>
<td>(9 680)</td>
<td>1 059 695</td>
<td>0.9</td>
</tr>
<tr>
<td>Impaired net investment in leases:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- non-overdue</td>
<td>26 684</td>
<td>(2 668)</td>
<td>24 016</td>
<td>10.0</td>
</tr>
<tr>
<td>- overdue 1-30 days</td>
<td>2 613</td>
<td>(2 613)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- overdue 31-180 days</td>
<td>1 117</td>
<td>(1 117)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total impaired net investment in leases</td>
<td>30 414</td>
<td>(6 398)</td>
<td>24 016</td>
<td>21.0</td>
</tr>
<tr>
<td>Total net investment in leases</td>
<td>1 099 789</td>
<td>(16 078)</td>
<td>1 083 711</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Trade and other receivables

| Trade and other receivables for which no individual impairment has been identified: | | | | |
| - non-overdue | 641 790 | - | 641 790 | - |
| Total trade and other receivables for which no individual impairment has been identified | 641 790 | - | 641 790 | 0.0 |
| Impaired trade and other receivables: | | | | |
| - overdue more than 180 days | 28 853 | (28 853) | - | 100.0 |
| Total impaired trade and other receivables | 28 853 | (28 853) | - | 100.0 |
| Total trade and other receivables | 670 643 | (28 853) | 641 790 | 4.3 |

Classification of net investment in leases in the above tables between the overdue and non-overdue categories is based on contractual maturities of individual payments within lease agreements.

Management presents as past due only payments that are contractually overdue because in the most cases the past due payments are due to technical reasons and do not reflect impairment of net investments in leases.

As at 31 December 2010 the Company did not identify any evidence of impairment of advances to suppliers.

The Company evaluates the impairment of net investment in leases on an individual and collective basis.
The objective indicators of financial assets impairment include the following:

- overdue payments under a leasing contract
- essential difficulties in financial position of a lessee
- deterioration in business environment, negative changes in certain industrial markets
- decreasing value of a leasing object.

The following factors and estimates are taken into account when identifying the amount of the allowance for impairment: realizable value of the collateral, timeframe of expected cash flows, sustainability of the lessee's business plan, ability of the lessee to improve performance in case of financial difficulties.

Evaluation is performed on a collective basis with respect to the lease agreements that are not individually significant or to the individually significant transactions where there are no indications of individual impairment.

Changes in estimates could affect the allowance for impairment for net investment in leases. For example, to the extent that the net present value of the estimated cash flows differs by plus/minus one percent, the allowance for impairment as at 31 December 2010 would be RUB 47 845 thousand lower/higher (31 December 2009: RUB 10 837 thousand lower/higher).

**Liquidity risk**

Liquidity risk is the risk that the Company will not be able to settle all liabilities as they fall due. The Company’s liquidity position is carefully monitored and managed. The Company has in place a detailed budgeting and cash forecasting process to ensure that it has adequate cash available to meet its payment obligations.
The table below summarizes the maturity profile of assets and liabilities as at 31 December 2010 by their expected maturities.

<table>
<thead>
<tr>
<th>Demand and less than 1 month</th>
<th>From 1 to 3 month</th>
<th>From 3 to 6 month</th>
<th>From 6 to 12 months</th>
<th>From 1 year to 5 years</th>
<th>More than 5 years</th>
<th>No stated maturity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1 561 515</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1 561 515</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>150 472</td>
<td>237 047</td>
<td>348 589</td>
<td>656 482</td>
<td>2 826 664</td>
<td>565 268</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>24 560</td>
<td>49 120</td>
<td>73 680</td>
<td>147 359</td>
<td>-</td>
<td>-</td>
<td>294 719</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>384 475</td>
<td>768 951</td>
<td>1 153 426</td>
<td>2 306 853</td>
<td>-</td>
<td>-</td>
<td>4 613 705</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>122 719</td>
<td>245 438</td>
<td>368 157</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>736 314</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td>-</td>
<td>-</td>
<td>17 126</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17 126</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>22 128</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>41 567</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6 301</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>17 469</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>2 243 741</td>
<td>1 300 556</td>
<td>1 960 978</td>
<td>3 110 694</td>
<td>2 826 664</td>
<td>565 268</td>
<td>87 465</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received</td>
<td>28 438</td>
<td>65 898</td>
<td>97 741</td>
<td>140 495</td>
<td>1 412 950</td>
<td>-</td>
<td>1 745 522</td>
</tr>
<tr>
<td>and payables issued</td>
<td>11 318</td>
<td>22 635</td>
<td>33 953</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>67 906</td>
</tr>
<tr>
<td>equipment</td>
<td>2 945</td>
<td>5 892</td>
<td>8 838</td>
<td>17 676</td>
<td>-</td>
<td>-</td>
<td>35 351</td>
</tr>
<tr>
<td>Trade and other</td>
<td>25 958</td>
<td>51 915</td>
<td>77 873</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>155 746</td>
</tr>
<tr>
<td>payables</td>
<td>26 968</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>26 968</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>95 627</td>
<td>146 340</td>
<td>218 405</td>
<td>158 171</td>
<td>1 412 950</td>
<td>-</td>
<td>2 031 493</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td>2 148 114</td>
<td>1 154 216</td>
<td>1 742 573</td>
<td>2 952 523</td>
<td>1 413 714</td>
<td>565 268</td>
<td>87 465</td>
</tr>
<tr>
<td><strong>Accumulated maturity gap</strong></td>
<td>2 148 114</td>
<td>3 302 330</td>
<td>5 044 903</td>
<td>7 997 426</td>
<td>9 411 140</td>
<td>9 976 408</td>
<td>10 063 873</td>
</tr>
</tbody>
</table>
The table below summarizes the maturity profile of assets and liabilities as at 31 December 2009 by their expected maturities.

<table>
<thead>
<tr>
<th>Demand and less than 1 month</th>
<th>From 1 to 3 month</th>
<th>From 3 to 6 month</th>
<th>From 6 to 12 months</th>
<th>From 1 year to 5 years</th>
<th>No stated maturity</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5 544 850</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>5 544 850</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>40 005</td>
<td>66 788</td>
<td>104 294</td>
<td>185 979</td>
<td>686 645</td>
<td>-</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>509</td>
<td>2 174</td>
<td>313 254</td>
<td>325 853</td>
<td>-</td>
<td>641 790</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>76 845</td>
<td>199 451</td>
<td>1 364 283</td>
<td>1 554 257</td>
<td>814</td>
<td>3 195 650</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>19 600</td>
<td>39 200</td>
<td>58 799</td>
<td>-</td>
<td>-</td>
<td>117 599</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td>-</td>
<td>-</td>
<td>3 290</td>
<td>-</td>
<td>-</td>
<td>3 290</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34 34</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 35</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3 056</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>5 681 809</strong></td>
<td><strong>307 613</strong></td>
<td><strong>1 843 920</strong></td>
<td><strong>2 066 089</strong></td>
<td><strong>687 459</strong></td>
<td><strong>38 419</strong></td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>28 719</td>
<td>146 557</td>
<td>44 278</td>
<td>149 574</td>
<td>61 440</td>
<td>-</td>
</tr>
<tr>
<td>Payables for lease equipment</td>
<td>146 432</td>
<td>35 317</td>
<td>25 285</td>
<td>-</td>
<td>-</td>
<td>207 034</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>15 795</td>
<td>305</td>
<td>1 721</td>
<td>3 434</td>
<td>-</td>
<td>21 255</td>
</tr>
<tr>
<td>Advances received</td>
<td>46</td>
<td>6 295</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>6 341</td>
</tr>
<tr>
<td>Income tax and other tax payable</td>
<td>867</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>867</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2 025</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>191 859</strong></td>
<td><strong>188 474</strong></td>
<td><strong>71 284</strong></td>
<td><strong>153 008</strong></td>
<td><strong>61 440</strong></td>
<td><strong>2 025</strong></td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td><strong>5 489 950</strong></td>
<td><strong>119 139</strong></td>
<td><strong>1 772 636</strong></td>
<td><strong>1 913 081</strong></td>
<td><strong>626 019</strong></td>
<td><strong>36 394</strong></td>
</tr>
<tr>
<td><strong>Accumulated maturity gap</strong></td>
<td><strong>5 489 950</strong></td>
<td><strong>5 609 089</strong></td>
<td><strong>7 381 725</strong></td>
<td><strong>9 294 806</strong></td>
<td><strong>9 920 825</strong></td>
<td><strong>9 957 219</strong></td>
</tr>
</tbody>
</table>

Undiscounted cash flows on financial liabilities except for loans received and promissory notes issued do not differ significantly from the expected maturity stated in the table above.
Undiscounted cash flows on loans received and promissory notes issued are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand and less than one month</td>
<td>41 464</td>
<td>33 027</td>
</tr>
<tr>
<td>From one to three months</td>
<td>90 516</td>
<td>154 337</td>
</tr>
<tr>
<td>From three to six months</td>
<td>134 422</td>
<td>49 923</td>
</tr>
<tr>
<td>From six months to one year</td>
<td>209 227</td>
<td>157 027</td>
</tr>
<tr>
<td>From one year to five years</td>
<td>1 754 765</td>
<td>71 879</td>
</tr>
</tbody>
</table>

Total gross amount of loans received and promissory notes issued 2 230 394 466 193

Total carrying amount of loans received and promissory notes issued 1 745 522 430 568

**Market risk**

Market risk is the risk of incurring losses due to changes in the exchange or interest rates. The market risk results in the impairment of fair value or future payment flows of financial instruments owned by the Company.

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure to the risk of changes in foreign exchange rates relates primarily to operating activities (when revenues or expenses are denominated in a different currency from the functional currency). The Company is exposed to currency risk on net investment in leases and loans received and promissory notes issued.

The Company does not use any hedging instruments to mitigate foreign exchange risks of its operations.
The following table shows the currency structure of assets and liabilities as at 31 December 2010:

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>USD</th>
<th>RUB</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>81 338</td>
<td>567</td>
<td>1 479 610</td>
<td>1 561 515</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>75 905</td>
<td>-</td>
<td>4 708 617</td>
<td>4 784 522</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>3 023</td>
<td>-</td>
<td>291 696</td>
<td>294 719</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>-</td>
<td>70 051</td>
<td>4 543 654</td>
<td>4 613 705</td>
</tr>
<tr>
<td>VAT receivable</td>
<td>-</td>
<td>-</td>
<td>736 314</td>
<td>736 314</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td>-</td>
<td>-</td>
<td>17 126</td>
<td>17 126</td>
</tr>
<tr>
<td>Inventories</td>
<td>-</td>
<td>-</td>
<td>22 128</td>
<td>22 128</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>-</td>
<td>-</td>
<td>41 567</td>
<td>41 567</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>-</td>
<td>-</td>
<td>6 301</td>
<td>6 301</td>
</tr>
<tr>
<td>Deferred tax asset</td>
<td>-</td>
<td>-</td>
<td>17 469</td>
<td>17 469</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>160 266</td>
<td>70 618</td>
<td>11 864 482</td>
<td>12 095 366</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>62 113</td>
<td>-</td>
<td>1 683 409</td>
<td>1 745 522</td>
</tr>
<tr>
<td>Payables for lease equipment</td>
<td>-</td>
<td>-</td>
<td>67 906</td>
<td>67 906</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>-</td>
<td>333</td>
<td>35 018</td>
<td>35 351</td>
</tr>
<tr>
<td>Advances received</td>
<td>-</td>
<td>-</td>
<td>155 746</td>
<td>155 746</td>
</tr>
<tr>
<td>Income tax and other tax payable</td>
<td>-</td>
<td>-</td>
<td>26 968</td>
<td>26 968</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>62 113</td>
<td>333</td>
<td>1 969 047</td>
<td>2 031 493</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td>98 153</td>
<td>70 285</td>
<td>9 895 435</td>
<td>10 063 873</td>
</tr>
</tbody>
</table>
The following table shows the currency structure of assets and liabilities as at 31 December 2009:

<table>
<thead>
<tr>
<th></th>
<th>EUR</th>
<th>USD</th>
<th>RUB</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td>-</td>
<td>5 544 850</td>
<td>5 544 850</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>203 206</td>
<td></td>
<td>880 505</td>
<td>1 083 711</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td></td>
<td>1 803</td>
<td>639 987</td>
<td>641 790</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td></td>
<td></td>
<td>3 195 650</td>
<td>3 195 650</td>
</tr>
<tr>
<td>VAT receivable</td>
<td></td>
<td></td>
<td>117 599</td>
<td>117 599</td>
</tr>
<tr>
<td>Income tax receivable</td>
<td></td>
<td></td>
<td>3 290</td>
<td>3 290</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td></td>
<td></td>
<td>34</td>
</tr>
<tr>
<td>Property and equipment</td>
<td></td>
<td></td>
<td>35 329</td>
<td>35 329</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td></td>
<td>3 056</td>
<td>3 056</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>203 206</td>
<td>1 803</td>
<td>10 420 300</td>
<td>10 625 309</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>213 904</td>
<td></td>
<td>216 664</td>
<td>430 568</td>
</tr>
<tr>
<td>Payables for lease equipment</td>
<td></td>
<td>207 034</td>
<td>207 034</td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td></td>
<td>21 255</td>
<td>21 255</td>
<td></td>
</tr>
<tr>
<td>Advances received</td>
<td>805</td>
<td></td>
<td>5 536</td>
<td>6 341</td>
</tr>
<tr>
<td>Income tax and other tax payable</td>
<td></td>
<td></td>
<td>867</td>
<td>867</td>
</tr>
<tr>
<td>Deferred tax liability</td>
<td></td>
<td></td>
<td>2 025</td>
<td>2 025</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>214 709</td>
<td>-</td>
<td>453 381</td>
<td>668 090</td>
</tr>
<tr>
<td><strong>Net position</strong></td>
<td>(11 503)</td>
<td>1 803</td>
<td>9 966 919</td>
<td>9 957 219</td>
</tr>
</tbody>
</table>

**Sensitivity analysis**

The following table demonstrates the sensitivity, to a reasonably possible change in the EUR and USD to RUB exchange rate, with all other variables held constant, of profit after taxation and equity. In 2010 and 2009, the Company assessed reasonably possible changes based on the volatility of foreign exchange rates during the reporting periods. The exposure to foreign currency changes for all other currencies is not material.

<table>
<thead>
<tr>
<th>Appreciation of RUB, %</th>
<th>31 December 2010</th>
<th>31 December 2009</th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>10.0</td>
<td>10.0</td>
<td>(7 852)</td>
<td>920</td>
</tr>
<tr>
<td>USD</td>
<td>10.0</td>
<td>10.0</td>
<td>(5 623)</td>
<td>(144)</td>
</tr>
</tbody>
</table>

A 10% weakening of the RUB against the above currencies at the ends of the comparable periods would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.
Significant exchange rates applied:

<table>
<thead>
<tr>
<th></th>
<th>Average rate</th>
<th>Reporting date spot rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2009</td>
</tr>
<tr>
<td>RUB/EUR</td>
<td>40.2980</td>
<td>44.1299</td>
</tr>
<tr>
<td>RUB/USD</td>
<td>30.3692</td>
<td>31.7231</td>
</tr>
</tbody>
</table>

**Interest rate risk**

The Company is exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may also reduce or create losses in the event of unexpected interest rate movements.

The table below displays the key interest bearing assets and liabilities as at 31 December 2010 and 31 December 2009 and their corresponding average effective interest rates as at those dates. These interest rates are an approximation of the yields to maturity of these assets and liabilities.

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Value</td>
<td>%</td>
</tr>
<tr>
<td><strong>Interest bearing assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUB</td>
<td>1 124 058</td>
<td>4.5</td>
</tr>
<tr>
<td>Net investment in leases (commercial)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR</td>
<td>75 905</td>
<td>19.8</td>
</tr>
<tr>
<td>RUB</td>
<td>1 224 012</td>
<td>17.5</td>
</tr>
<tr>
<td>Net investment in leases (preferential)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUB</td>
<td>3 484 605</td>
<td>13.5</td>
</tr>
<tr>
<td><strong>Interest bearing liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EUR</td>
<td>62 113</td>
<td>7.5</td>
</tr>
<tr>
<td>RUB</td>
<td>1 683 409</td>
<td>10.6</td>
</tr>
<tr>
<td>Promissary notes issued</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RUB</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

As at 31 December 2010 and 2009 loans and borrowings received by the Company have fixed interest rates.

As at 31 December 2010 and 2009 the Company does not have any financial assets with variable interest rates.

The Company does not account for any financial assets or liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

The Company does not account for any financial assets as assets available-for-sale. Therefore, a change in interest rates at the reporting date would not affect equity.

**Operational risk**

Operational risk is the risk of direct or indirect losses resulting from deficiencies or errors in internal processes, actions of employees, operations of information systems and technologies, and resulting from external events. This definition includes legal risk, but excludes strategic and reputation risks.
The Operational Control Department is engaged in the control over operational risks. Key tasks of this department include the day-to-day control over compliance with internal regulations governing the sequence of business processes in lease transactions, control over correct compilation of information bases by the employees of regional branches, control over the client's payment discipline and correct preparation of data regarding the impaired/potentially impaired debt by the employees of regional branches. In addition, the Operational Control Department controls compliance with an obligation to insure the leased assets, documentation and filing procedures.

23. **Fair values of financial instruments**

Set out below is a comparison by class of the carrying amounts and fair values of financial instruments.

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Carrying amount</td>
<td>Fair value</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>4 784 522</td>
<td>4 615 906</td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>1 754 522</td>
<td>1 754 522</td>
</tr>
</tbody>
</table>

The fair value of other financial assets and liabilities approximates their carrying value.

The following describes the methodologies and assumptions used to determine fair values for those financial instruments that are not already recorded at fair value in the financial statements.

**Assets for which fair value approximates carrying value**

For financial assets and financial liabilities that are liquid or have a short term maturity (less than three months) it is assumed that the carrying amounts approximate their fair values. This assumption is also applied to demand deposits, savings accounts without a specific maturity and variable rate financial instruments.

**Fixed rate financial instruments**

The fair value of fixed rate financial assets and liabilities carried at amortised cost are estimated by comparing market interest rates when they were first recognised with current market rates offered for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. For those notes issued where quoted market prices are not available, a discounted cash flow model is used based on a current interest rate yield curve appropriate for the remaining term to maturity.

24. **Capital management and capital adequacy**

The Company maintains an actively managed capital base to cover risks inherent in the business. The primary objectives of capital management are to ensure that the Company maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise the shareholder’s value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities.

In order to maintain or adjust the capital structure, the Company may adjust the amount of distribution payment to the shareholder and the amount of bonuses paid to employees.

The Company monitors net assets using a gearing ratio, which is total liabilities divided by total equity.
As at 31 December 2010 and 2009 the gearing ratio is calculated as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total liabilities</td>
<td>2 031 493</td>
<td>668 090</td>
</tr>
<tr>
<td>Total equity</td>
<td>10 063 873</td>
<td>9 957 219</td>
</tr>
<tr>
<td>Debt to equity ratio</td>
<td>0.20</td>
<td>0.07</td>
</tr>
</tbody>
</table>

25. Commitments and contingencies

Legal

In the ordinary course of business, the Company is subject to legal actions and complaints. Management believes that the ultimate liability, if any, arising from such actions or complaints will not have a material adverse effect on the financial condition or the results of future operations.

Taxation

Russian tax, currency and customs legislation is subject to varying interpretations, and changes, which can occur frequently. Management's interpretation of such legislation as applied to the transactions and activity of the Company may be challenged by the relevant regional and federal authorities. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in its interpretation of the legislation and assessments and, as a result, it is possible that transactions and activities that have not been challenged in the past may be challenged. As such, significant additional taxes, penalties and interest may be assessed. Fiscal periods remain open to review by the authorities in respect of taxes for three calendar years preceding the year of review. Under certain circumstances reviews may cover longer periods.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on the financial position of the Company, if the authorities were successful in enforcing their interpretations, could be significant.

Rent of premises

Non-cancellable operating lease payments as at 31 December 2010 and 2009 including VAT are as follows:

<table>
<thead>
<tr>
<th></th>
<th>31 December 2010</th>
<th>31 December 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>10 683</td>
<td>30 365</td>
</tr>
<tr>
<td>Between one and five years</td>
<td>-</td>
<td>10 683</td>
</tr>
<tr>
<td>Total</td>
<td>10 683</td>
<td>41 048</td>
</tr>
</tbody>
</table>

26. Related parties

In accordance with IAS 24 “Related Party Disclosures”, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form.
Related parties may enter into transactions which unrelated parties might not, and transactions between related parties may not be effected on the same terms, conditions and amounts as transactions between unrelated parties.

**Transactions with government related entities**

The Company is directly owned by the Ministry of Transport of the Russian Federation (100.0%). The ultimate controlling party is the Russian Federation. The Company has transactions with other government related entities including but not limited to lease of assets, rendering and receiving services, depositing and borrowing money, and use of public utilities.

These transactions are conducted in the ordinary cause of business on terms comparable to those with other entities that are not government related.

The Company has established procurement policies, pricing strategy and approval process for purchases and sales of products and services, which are independent of whether the counterparties are government-related entities or not.

The major outstanding balances as at 31 December 2010 with related parties and their corresponding average effective interest rates are as follows:

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Government owned entities</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>1 545 857</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>-</td>
<td>-</td>
<td>2 051 606</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>-</td>
<td>-</td>
<td>13 364</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>-</td>
<td>-</td>
<td>1 027 336</td>
</tr>
<tr>
<td>Liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>-</td>
<td>-</td>
<td>1 542 503</td>
</tr>
<tr>
<td>Payables for lease equipment</td>
<td>-</td>
<td>-</td>
<td>5 110</td>
</tr>
<tr>
<td>Advances received</td>
<td>-</td>
<td>-</td>
<td>90 413</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7 164</td>
<td>328</td>
<td>-</td>
</tr>
</tbody>
</table>
The major outstanding balances as at 31 December 2009 with related parties and their corresponding average effective interest rates are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Shareholder</th>
<th>Key management personnel</th>
<th>Government owned entities and state bodies</th>
<th>%</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 December 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>-</td>
<td>-</td>
<td>5 544 580</td>
<td>8.8</td>
<td>5 544 580</td>
</tr>
<tr>
<td>Net investment in leases</td>
<td>-</td>
<td>-</td>
<td>794 566</td>
<td>17.7</td>
<td>794 566</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>2</td>
<td>-</td>
<td>196</td>
<td>-</td>
<td>198</td>
</tr>
<tr>
<td>Advances to suppliers</td>
<td>-</td>
<td>-</td>
<td>1 367 501</td>
<td>-</td>
<td>1 367 501</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans received and promissory notes issued</td>
<td>-</td>
<td>-</td>
<td>420 566</td>
<td>11.8</td>
<td>420 566</td>
</tr>
<tr>
<td>Payables for lease equipment</td>
<td>-</td>
<td>-</td>
<td>224</td>
<td>-</td>
<td>224</td>
</tr>
<tr>
<td>Advances received</td>
<td>-</td>
<td>-</td>
<td>5 383</td>
<td>-</td>
<td>5 383</td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>7 164</td>
<td>991</td>
<td>-</td>
<td>-</td>
<td>8 155</td>
</tr>
</tbody>
</table>

The results of major transactions with related parties for the year ended 31 December 2010 are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Key management personnel</th>
<th>Government owned entities and state bodies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease interest income</td>
<td>-</td>
<td>270 245</td>
<td>270 245</td>
</tr>
<tr>
<td>Other interest income</td>
<td>-</td>
<td>290 768</td>
<td>290 768</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>(40 041)</td>
<td>(40 041)</td>
</tr>
<tr>
<td>Expenses from banking charges</td>
<td>-</td>
<td>(301)</td>
<td>(301)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>-</td>
<td>(581)</td>
<td>(581)</td>
</tr>
<tr>
<td>Salary and related social costs</td>
<td>(17 160)</td>
<td>-</td>
<td>(17 160)</td>
</tr>
</tbody>
</table>

The results of major transactions with related parties for the year ended 31 December 2009 are as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Key management personnel</th>
<th>Government owned entities and state bodies</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Finance lease interest income</td>
<td>-</td>
<td>97 416</td>
<td>97 416</td>
</tr>
<tr>
<td>Other interest income</td>
<td>-</td>
<td>282 452</td>
<td>282 452</td>
</tr>
<tr>
<td>Interest expense</td>
<td>-</td>
<td>(46 680)</td>
<td>(46 680)</td>
</tr>
<tr>
<td>Expenses from banking charges</td>
<td>-</td>
<td>(187)</td>
<td>(187)</td>
</tr>
<tr>
<td>Salary and related social costs</td>
<td>(19 531)</td>
<td>-</td>
<td>(19 531)</td>
</tr>
</tbody>
</table>
27. Events subsequent to the reporting date

During the first five months of 2011 the Company significantly increased its lease portfolio. During that period the Company signed 155 lease agreements with total gross lease receivables of RUB 21 441 567 thousand.

During the first five months of 2011 the Company received secured bank loans and issued promissory notes in amount of RUB 10 700 903 thousand.

The Company opened two branches during the first five months of 2011 in Omsk and Orenburg.