EURASIAN DEVELOPMENT BANK

Condensed Interim Financial Information (unaudited)
For the six months ended 30 June 2010 and 2009

EURASIAN DEVELOPMENT BANK

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EURASIAN DEVELOPMENT BANK

STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009 (UNAUDITED)

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditors' report on review of condensed interim financial information, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the condensed interim financial information of Eurasian Development Bank ("the Bank").

Management is responsible for the preparation of the condensed interim financial information that present fairly the financial position of the Bank as at 30 June 2010, the results of its operations, cash flows and changes in equity for the six months ended 30 June 2010 and 2009, in accordance with International Accounting Standard 34: Interim Financial Reporting ("IAS 34").

In preparing the condensed interim financial information, management is responsible for:

- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IAS 34 has been followed, subject to any material departures disclosed and explained in the condensed interim financial information; and
- Preparing the condensed interim financial information on a going concern basis, unless it is inappropriate to presume that the Bank will continue in business for the foreseeable future.

Management is also responsible for:

- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Bank;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Bank, and which enable them to ensure that the condensed interim financial information of the Bank comply with IAS 34;
- Taking such steps as are reasonably available to them to safeguard the assets of the Bank; and
- Detecting and preventing fraud, errors and other irregularities.

The condensed interim financial information for the six months ended 30 June 2010 and 2009 was authorized for issue on 10 August 2010 by the Management of the Bank.

On behalf of the Management of the Bank:

I.V. Finogenov
Chairman of the Executive Board

10 August 2010
Almaty, Kazakhstan

M.A. Dzhaukenov
Deputy Chairman of the Executive Board – Financial Director

10 August 2010
Almaty, Kazakhstan

INDEPENDENT AUDITORS' REPORT
ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

To the members of the Council of the Eurasian Development Bank:

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Eurasian Development Bank ("the Bank") as at 30 June 2010, and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the six-month periods ended 30 June 2010 and 2009, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Deloitte, LLP

10 August 2010
Almaty, Kazakhstan

EURASIAN DEVELOPMENT BANK

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009 (UNAUDITED)

(in thousands of US dollars)

	Notes	For the six months ended 30 June 2010 (unaudited)	For the six months ended 30 June 2009 (unaudited)
Interest income	4	58,071	52,063
Interest expense	4	(36,787)	(13,770)
NET INTEREST INCOME BEFORE PROVISION FOR IMPAIRMENT LOSSES ON INTEREST BEARING ASSETS		21,284	38,293
Provision for impairment losses on loans to customers	5	(6,927)	(4,284)
NET INTEREST INCOME		14,357	34,009
Net gain on financial assets and liabilities at fair value through profit or loss	6	34,053	7,369
Net realized gain on financial assets available-for-sale		3,722	2,609
Net loss on foreign exchange operations	7	(31,721)	(6,440)
Fee and commission income		1,637	1,307
Fee and commission expense		(121)	(235)
Other income		150	1,151
NET NON-INTEREST INCOME		7,720	5,761
OPERATING INCOME		22,077	39,770
OPERATING EXPENSES	8	(14,786)	(9,614)
NET PROFIT		7,291	30,156
OTHER COMPREHENSIVE INCOME:			
Net unrealized gain on revaluation of financial assets available-for-sale		2,926	32,783
Net realized gain on financial assets available-for-sale transferred to the profit and loss during the period		(3,722)	(2,609)
TOTAL COMPREHENSIVE INCOME		6,495	60,330

On behalf of the Management of the Bank:

I.V. Finogenov
Chairman of the Executive Board

10 August 2010
Almaty, Kazakhstan

M.A. Dzhaukenov
Deputy Chairman of the Executive Board - Financial Director

10 August 2010
Almaty, Kazakhstan

Selected explanatory notes on pages 8-35 form an integral part of this condensed interim financial information.

EURASIAN DEVELOPMENT BANK

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2010 (UNAUDITED) AND 31 DECEMBER 2009

(in thousands of US dollars)

	Notes	30 June 2010 (unaudited)	31 December 2009
ASSETS:			
Cash and balances with national (central) banks of the Member-states	9	33,484	94,872
Financial assets at fair value through profit or loss	10	1,928	40,933
Loans and advances to banks	11	837,810	590,321
Loans to customers	12	690,393	608,984
Financial assets available-for-sale	13	185,331	287,866
Investments held-to-maturity	14	743,861	843,753
Property and equipment	15	22,105	21,146
Intangible assets		925	1,059
Other assets	16	5,608	6,524
TOTAL ASSETS		2,521,445	2,495,458
LIABILITIES AND EQUITY			
LIABILITIES:			
Loans and deposits from banks	17	45,096	36,840
Financial liabilities at fair value through profit or loss	10	184	117
Anti-crisis Fund		261	-
Debt securities issued	18	806,664	812,769
Other liabilities	19	13,849	11,836
Total liabilities		866,054	861,562
EQUITY:			
Share capital	20	1,515,600	1,500,600
Reserve fund		64,733	44,839
Revaluation reserve for financial assets available-for-sale		3,033	3,829
Retained earnings		72,025	84,628
Total equity		1,655,391	1,633,896
TOTAL LIABILITIES AND EQUITY		2,521,445	2,495,458

On behalf of the Management of the Bank:

Евразийский Банк Развития

I.V. Finogenov
Chairman of the Executive Board

10 August 2010
Almaty, Kazakhstan

M.A. Dzhaukenov
Deputy Chairman of the Executive Board
Financial Director

10 August 2010
Almaty, Kazakhstan

Selected explanatory notes on pages 8-35 form an integral part of this condensed interim financial information.

EURASIAN DEVELOPMENT BANK

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009 (UNAUDITED)

(in thousands of US dollars)

	Share capital	Reserve fund	Financial assets available-for-sale fair value (deficit)/ reserve/	Retained earnings	Total equity
31 December 2008	1,500,000	24,569	(58,195)	65,109	1,531,483
Total other comprehensive income (unaudited)	-	-	30,174	30,156	60,330
Issue of ordinary share capital (unaudited)	600	-	-	-	600
Transfer to reserve fund (unaudited)	-	20,270	-	(20,270)	-
30 June 2009 (unaudited)	1,500,600	44,839	(28,021)	74,995	1,592,413
31 December 2009	1,500,600	44,839	3,829	84,628	1,633,896
Total other comprehensive (loss)/income (unaudited)	-	-	(796)	7,291	6,495
Issue of ordinary share capital (unaudited)	15,000	-	-	-	15,000
Transfer to reserve fund (unaudited)	-	19,894	-	(19,894)	-
30 June 2010 (unaudited)	1,515,600	64,733	3,033	72,025	1,655,391

On behalf of the Management of the Bank:

I.V. Finogenov
Chairman of the Executive Board

10 August 2010
Almaty, Kazakhstan

M.A. Dzhaukenov
Deputy Chairman of the Executive Board
Financial Director

10 August 2010
Almaty, Kazakhstan

Selected explanatory notes on pages 8-35 form an integral part of this condensed interim financial information.

EURASIAN DEVELOPMENT BANK

CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2010 AND 2009 (UNAUDITED)
(in thousands of US dollars)

	Notes	For the six months ended 30 June 2010 (unaudited)	For the six months ended 30 June 2009 (unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:			
Interest received on loans to customers		25,294	13,428
Interest received on loans and advances to banks		8,469	10,563
Interest and income received from financial assets at fair value through profit or loss		34,051	7,369
Interest and income received from financial assets available-for-sale		14,194	11,494
Interest received on investments held-to-maturity		10,521	11,693
Interest paid on loans and deposits from banks		(725)	(13,220)
Interest paid on debt securities issued		(37,804)	-
Fee and commission received		1,540	1,490
Fee and commission paid		(178)	(262)
Other income received		136	1,151
Operating expenses paid		(15,360)	(11,041)
Cash inflow from operating activities before changes in operating assets and liabilities		40,138	32,665
Changes in operating assets			
Increase in loans to customers		(81,956)	(46,642)
Decrease in loans and advances to banks		28,830	82,552
Decrease in financial assets at fair value through profit or loss		38,939	8,264
Decrease/(increase) in other assets		303	(786)
Changes in operating liabilities			
Decrease in deposits from banks		-	(24,230)
Increase of Anti-crisis Fund		261	-
Increase in financial liabilities at fair value through profit or loss		68	409
Increase/(decrease) in other liabilities		2,609	(894)
Net cash inflow from operating activities		29,192	51,338
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of financial assets available-for-sale		(39,616)	(6,000)
Proceeds from sale and redemption of financial assets available-for-sale		139,276	38,878
Purchase of investments held-to-maturity		(1,830,302)	(568,877)
Proceeds from redemption of investments held-to-maturity		1,930,200	635,000
Purchase of property, equipment and intangible assets		(901)	(728)
Net cash inflow from investing activities		198,657	98,273
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuance of share capital		15,000	600
Proceeds from issuance of debt securities		-	81,932
Proceeds from loans from banks		8,219	34,182
Net cash inflow from financing activities		23,219	116,714
NET INCREASE IN CASH AND CASH EQUIVALENTS		251,068	266,325
CASH AND CASH EQUIVALENTS, at the beginning of the period		438,948	400,110
Effect of changes in foreign exchange rate on cash and cash equivalents		(36,378)	(6,238)
CASH AND CASH EQUIVALENTS, at the end of the period	9	653,638	660,197

On behalf of the Management of the Bank:

I.V. Finogenov
Chairman of the Executive Board

10 August 2010
Almaty, Kazakhstan

M.A. Dzhaukenov
Deputy Chairman of the Executive Board
Financial Director

10 August 2010
Almaty, Kazakhstan

Selected explanatory notes on pages 8-35 form an integral part of this condensed interim financial information.

(in thousands of US dollars, if not stated otherwise)

1. ORGANISATION

The Eurasian Development Bank ("the Bank") is an international organization, which was established in accordance with the Agreement Establishing the Eurasian Development Bank, entered into between the Russian Federation and the Republic of Kazakhstan (the "Member-states") on 12 January 2006 (the "Agreement on Incorporation"). This Agreement on Incorporation became effective on 16 June 2006, upon fulfillment of domestic procedures necessary for it to become effective.

The Bank's membership is open to new participants such that other states and international organizations may join the Agreement on Incorporation of the Bank. The strategic objective of the Bank is to promote the development of the market economy in its Member-states, including their economic growth and the expansion of mutual trade and economic relations through investment activity. The Bank was established to assist Member-states in integrating their economies and developing their infrastructure.

In December 2008, the Council of the Bank approved the accession of the Republic of Armenia, the Republic of Belarus and the Republic of Tajikistan to the Agreement on Incorporation. In 2009, the Republic of Armenia and the Republic of Tajikistan have fulfilled their respective appropriate domestic procedures related to the ratification of the Agreement on Incorporation of the Bank, made their contributions to the share capital and become Member-states of the Bank on 3 April 2009 and 22 June 2009, respectively. On 21 June 2010, the Republic of Belarus has made its contribution to the share capital of the Bank and became the fifth Member-state of the Bank.

As at 30 June 2010, the following states were members of the Bank: the Russian Federation, the Republic of Kazakhstan, the Republic of Armenia, the Republic of Tajikistan and the Republic of Belarus.

The Bank's principal activities consist of lending, operations with securities and foreign currencies. The Bank finances large and medium investment projects that are medium-term and long-term in duration, including industrial and innovative programs of the Member-states and interstate target programs. The Bank also provides financing for investment projects of inter regional significance, and lends to industrial companies of the Member-states.

The headquarters of the Bank are registered at: 220, Dostyk Avenue, Almaty, the Republic of Kazakhstan.

The total number of employees of the Bank as at 30 June 2010 was 212 (31 December 2009: 195).

In accordance with its Charter, the Bank possesses immunity against any legal proceedings, except for cases which do not result from execution of its powers. The property and the assets of the Bank possess the same immunities from search, requisition, arrest, confiscation, expropriation or any other form of withdrawal or alienation prior to final judgment in relation to the Bank. The Bank is exempted from any taxes, levies, duties and other payments, except for those that represent a payment for specific types of service.

As at 30 June 2010 and 31 December 2009, share capital of the Bank was owned as follows:

	30 June 2010 USD'000	**31 December 2009 USD'000**
The Russian Federation	1,000,000	1,000,000
The Republic of Kazakhstan	500,000	500,000
The Republic of Belarus	15,000	-
The Republic of Tajikistan	500	500
The Republic of Armenia	100	100
	1,515,600	1,500,600

Recoverability of financial assets

As a result of recent economic turmoil in capital and credit markets globally, and the consequential economic uncertainties existing as at reporting date, there exists the potential that assets may not be recovered at their carrying amount in the regular course of business.

As at 30 June 2010, the Bank has financial assets amounting to 2,493,940 thousand US dollars (31 December 2009: 2,468,629 thousand US dollars). The recoverability of these financial assets depends to a large extent on the efficacy of the fiscal measures and other measures and other actions, beyond the Bank's control, undertaken within various countries to achieve economic stability and recovery. The recoverability of the Bank's financial assets is determined based on conditions prevailing and information available as at the reporting date. It is the management's opinion that no additional provision for losses on financial assets is needed at present, based on prevailing conditions and available information.

2. BASIS OF PRESENTATION

Accounting basis

The condensed interim financial information of the Bank has been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting". Accordingly, certain information and disclosures normally required to be included in the notes to the annual financial statements have been omitted or condensed. The condensed interim financial information should be read in conjunction with the financial statements and with selective notes to the financial statements of the Bank for the years ended 31 December 2009, 2008 and 2007.

The condensed interim financial information has been prepared on the accrual basis of accounting under the historical cost convention, except for the measurement at fair value of financial assets available-for-sale, financial assets and liabilities at fair value through profit or loss, and derivative financial instruments.

The preparation of the condensed interim financial information in conformity with IAS 34 requires Management of the Bank to make estimates and assumptions that affect the reported amounts of assets and liabilities of the Bank, and disclosure of contingent assets and liabilities at the date of the financial information, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to change relate to the allowance for impairment of loans and receivables and determination of the fair value of financial instruments.

The condensed interim financial information reflects all adjustments that, in the opinion of Management of the Bank, are necessary for a fair presentation of the results of operations for the interim period. All such adjustments to the financial information are of a normal, recurring nature. Because the results from common banking activities are so closely related and responsive to changes in market conditions, the results for any interim period are not necessarily indicative of the results that can be expected for the year.

Functional currency

The functional currency of the Bank is the US dollar.

3. SIGNIFICANT ACCOUNTING POLICIES

In preparing this condensed interim financial information the Bank has applied the same accounting policies and methods of computation as those applied in the annual financial statements of the Bank for the years ended 31 December 2009, 2008 and 2007.

Standards and interpretations issued and not yet adopted

The Bank has not applied the following IFRS and IFRIC that have been issued:

- In December 2008, the IFRIC issued interpretation IFRIC 17 "Distributions of Non-Cash Assets to Owners" and the IASB made consequential amendments to IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" effective for the annual periods beginning on or after 1 July 2009. The interpretation requires distributions to be presented at fair value with any surplus or deficit to be recognized in statement of comprehensive income. The amendment to IFRS 5 extends the definition of disposal groups and discontinued operations to disposals by way of distribution. The changes are not expected to have a material effect on the Bank.

- Financial instruments: Classification and Measurement - On 12 November 2009, the IASB issued IFRS 9 "Financial instruments" as the first step in its project to replace IAS 39 "Recognition and Measurement". IFRS 9 introduces new requirements for classifying and measuring financial assets. Those requirements must be applied starting 1 January 2013, with earlier adoption permitted including for 2009. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. By the end of 2010, IFRS 9 will be a complete replacement for IAS 39 – mandatory for 2013 and optional in earlier years. Management of the Bank decided not to adopt early this standard. The Management of the Bank has not yet completed the assessment of the effect of the standard on the financial statements once it will be adopted.

- The IASB has revised IAS 24 Related Party Disclosures on 4 November 2009 to provide a partial exemption from the disclosure requirements for government-related entities and to clarify the definition of a related party. The revised standard also clarifies that disclosure is required of any commitments of a related party to do something if a particular event occurs or does not occur in the future, including executory contracts (recognised and unrecognised). The revised standard is effective for annual periods beginning on or after 1 January 2011, with earlier application permitted. The Management of the Bank currently assesses the possible impacts of adoption of the amendment.

- In October 2009, the IASB issued an amendment to IAS 32 on the classification of rights issues. For rights issues offered for a fixed amount of foreign currency current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to an entity's all existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is effective for annual periods beginning on or after 1 February 2010. The Management of the Bank currently assesses the impact on adoption of the amendment.

4. NET INTEREST INCOME

	For the six months ended 30 June 2010 (unaudited)	For the six months ended 30 June 2009 (unaudited)
Interest income comprises:		
Interest income on assets recorded at amortized cost:		
- interest income on impaired assets	7,597	7,316
- interest income on unimpaired assets	42,815	33,396
Interest income on financial assets at fair value through profit or loss	63	-
Interest income on financial assets available-for-sale	7,596	11,351
Total interest income	58,071	52,063
Interest income on assets recorded at amortized cost comprises:		
Interest on loans to customers	31,175	19,276
Interest on investments held-to-maturity	10,528	11,604
Interest on loans and advances to banks	8,709	9,832
Total interest income on assets recorded at amortized cost	50,412	40,712
Interest expense comprises:		
Interest expense on liabilities recorded at amortized cost comprises:		
Interest on debt securities issued	(36,026)	(1,830)
Interest on loans and deposits from banks	(761)	(11,940)
Total interest expense on financial liabilities recorded at amortized cost	(36,787)	(13,770)
Net interest income before provision for impairment losses on interest bearing assets	21,284	38,293

5. ALLOWANCE FOR LOSSES

The movements in allowance for losses on interest bearing assets were as follows:

	For the six months ended 30 June 2010 (unaudited)	For the six months ended 30 June 2009 (unaudited)
Beginning of period	(6,562)	(1,377)
Provisions for losses (unaudited)	(7,614)	(4,965)
Reversal of provision for losses (unaudited)	687	681
Revaluation (unaudited)	500	(42)
End of period (unaudited)	(12,989)	(5,703)

6. NET GAIN ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	For the six months ended 30 June 2010 (unaudited)	For the six months ended 30 June 2009 (unaudited)
Net gain on financial assets and liabilities held-for-trading	34,053	7,369
Total net gain on financial assets and liabilities at fair value through profit or loss	34,053	7,369
Net gain on operations with financial assets and liabilities held-for-trading comprise:		
Net gain on operations with derivative financial instruments in foreign currency	31,916	8,453
Unrealized income/(expense) on fair value adjustment	1,744	(1,084)
Realized gain on trading operations	393	-
Total net gain on operations with financial assets and liabilities held-for-trading	34,053	7,369

7. NET LOSS ON FOREIGN EXCHANGE OPERATIONS

	For the six months ended 30 June 2010 (unaudited)	For the six months ended 30 June 2009 (unaudited)
Translation differences, net	31,253	6,417
Dealing, net	468	23
Total net loss on transactions with foreign currencies	31,721	6,440

8. OPERATING EXPENSES

	For the six months ended 30 June 2010 (unaudited)	For the six months ended 30 June 2009 (unaudited)
Staff costs and other payments to employees (including accommodation costs of employees)	7,875	4,871
Premises expenses	1,264	1,095
Expenses for supporting research and regional development programs of Technical Assistance Fund	976	219
Depreciation and amortization	834	838
Business trip expenses	757	338
Professional services	669	443
Information system and software maintenance expenses	423	388
Communication expenses	410	293
Security	406	241
Business development expenses	344	263
Training	232	75
Transportation expenses	158	166
Office, printing and postal subscription expenses	54	184
Other expenses	384	200
Total operating expenses	14,786	9,614

9. CASH AND BALANCES WITH NATIONAL (CENTRAL) BANKS OF THE MEMBER-STATES

	30 June 2010 (unaudited)	31 December 2009
Balances with the National Bank of the Republic of Kazakhstan	33,430	94,836
Cash	54	36
Total cash and balances with national (central) banks of the Member-states	33,484	94,872

Cash and cash equivalents for the purposes of the statement of cash flows comprised the following:

	30 June 2010 (unaudited)	31 December 2009	30 June 2009 (unaudited)
Cash and balances with national (central) banks of the Member-states	33,484	94,872	166,817
Loans and advances to banks of OECD countries, the Russian Federation and the Republic of Kazakhstan	620,154	344,076	493,380
Total cash and cash equivalents	653,638	438,948	660,197

Loans and advances to banks of OECD countries, the Russian Federation and the Republic of Kazakhstan in the amount of 470,069 thousand US dollars consist of correspondent accounts and term deposits in the banks disclosed in Note 11 with credit ratings of BBB and/or Baa2 from international rating agencies.

10. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2010 (unaudited)	31 December 2009
Financial assets held-for-trading:		
Derivative financial instruments	1,928	896
Debt securities	-	40,037
Total financial assets held-for-trading	1,928	40,933
Total financial assets at fair value through profit or loss	1,928	40,933

	30 June 2010 (unaudited)			31 December 2009		
		Fair value			Fair value	
	Nominal amount	Asset	Liability	Nominal amount	Asset	Liability
Derivative financial instruments:						
Foreign currency contracts						
Swaps	303,270	1,909	(52)	252,571	896	(117)
Spots and forwards	110,133	19	(132)	-	-	-
		1,928	(184)		896	(117)

	30 June 2010 (unaudited)		31 December 2009	
	Nominal interest rate	Amount	Nominal interest rate	Amount
Debt securities:				
US Treasury notes	-	-	1.00%	40,037
		-		40,037

11. LOANS AND ADVANCES TO BANKS

	30 June 2010 (unaudited)	31 December 2009
Term deposits in other banks	382,283	132,488
Correspondent accounts in other banks	222,180	210,723
Loans under reverse repurchase agreements	142,039	175,989
Loans to banks	75,022	69,830
Correspondent accounts in other banks on broker operations	16,286	1,291
Total loans and advances to banks	837,810	590,321

As at 30 June 2010, the Bank had receivables in the amount of 205,823 thousand US dollars from one Government owned bank of the Member-state of the Bank with credit ratings of BBB and Baa1 from international rating agencies. As at 31 December 2009, the Bank had receivables amounting to 205,038 thousand US dollars from one Government owned bank of the Member-state of the Bank with credit ratings of BBB and Baa1 from international rating agencies. These amounts individually exceeded 10% of the Bank's equity as at 30 June 2010 and 31 December 2009, respectively.

As at 30 June 2010 and 31 December 2009, there was no allowance for losses on loans and advances to banks.

The carrying value of loans and fair value of collateral under reverse repurchase agreements as at 30 June 2010 and 31 December 2009 is presented as follows:

	30 June 2010 (unaudited)		31 December 2009	
	Carrying value of loans	Fair value of collateral	Carrying value of loans	Fair value of collateral
Eurobonds of the Russian Federation	62,624	73,853	45,787	53,047
Bonds issued by non-financial organizations	61,629	68,612	54,212	66,314
Bonds issued by banks and financial institutions of the Russian Federation	17,786	20,384	75,990	90,428
	142,039	162,849	175,989	209,789

12. LOANS TO CUSTOMERS

	30 June 2010 (unaudited)	31 December 2009
Loans to customers	703,382	615,546
Less allowance for losses	(12,989)	(6,562)
Total loans to customers	690,393	608,984

The table below summarizes the amount of loans secured by type of collateral, rather than the fair value of the collateral itself:

	30 June 2010 (unaudited)	**31 December 2009**
Loans collateralized by pledge of real estate, equipment and inventories	452,091	203,863
Loans collateralized by guarantees	179,405	370,209
Loans collateralized by pledge of future cash inflows	42,215	41,474
No collateral	29,671	-
	703,382	615,546
Less allowance for losses	(12,989)	(6,562)
Total loans to customers	690,393	608,984

Loans not secured by collateral include one newly issued loan to one borrower. Currently, the Bank is in the process of registering the collateral to secure this loan. This process is expected to be completed by 1 October 2010.

Analysis by sector:	**30 June 2010 (unaudited)**	**31 December 2009**
Machinery construction	195,379	164,547
Wood processing	146,108	135,576
Agriculture	142,275	134,641
Energy	99,831	71,955
Transport and communication	46,159	46,099
Mining and metallurgy	35,181	41,641
Oil and gas	24,322	21,087
Textiles	14,127	-
	703,382	615,546
Less allowance for losses	(12,989)	(6,562)
Total loans to customers	690,393	608,984

As at 30 June 2010, the maximum credit risk exposure on loans to customers amounted to 690,393 thousand US dollars (31 December 2009: 608,984 thousand US dollars). As at 30 June 2010, the maximum credit risk exposure on loan commitments and overdrafts extended by the Bank to its customers amounted to 1,007,425 thousand US dollars (31 December 2009: 569,725 thousand US dollars).

As at 30 June 2010, loans to customers included loans in the amount of 146,108 thousand US dollars (31 December 2009: 211,342 thousand US dollars) against which the Bank recorded an allowance for losses due to some delays in implementation of production plans, deterioration of market conditions and overdue payments. As at 30 June 2010, these loans had various types of collateral with a fair value of 169,389 thousand US dollars (31 December 2009: 118,765 thousand US dollars).

13. FINANCIAL ASSETS AVAILABLE-FOR-SALE

	30 June 2010 (unaudited)	31 December 2009
Debt securities	150,611	253,146
Equity securities	34,720	34,720
Total financial assets available-for-sale	185,331	287,866

	30 June 2010 (unaudited)		31 December 2009	
	Nominal interest rate	**Fair value**	**Nominal interest rate**	**Fair value**
Debt securities				
Bonds issued by banks and financial institutions of the Russian Federation	5.93% - 11.00%	97,438	5.93% - 11.00%	72,647
Bonds issued by non-financial organizations	6.88% - 9.25%	40,379	6.66% - 9.25%	88,941
Bonds issued by banks and financial institutions of the Republic of Kazakhstan	8.00% - 9.25%	8,564	8.00% - 10.00%	10,665
Eurobonds of the Russian Federation	7.50%	4,230	7.50%	80,893
		150,611		253,146

	30 June 2010 (unaudited)		31 December 2009	
	Ownership interest	**Fair value**	**Ownership interest**	**Fair value**
Equity securities				
Shares of OJSC “Bank of Khanty-Mansiysk”	3.00%	34,720	3.00%	34,720
		34,720		34,720

14. INVESTMENTS HELD-TO-MATURITY

	30 June 2010 (unaudited)		31 December 2009	
	Nominal interest rate	**Amount**	**Nominal interest rate**	**Amount**
Eurobonds of the Russian Federation	7.50%	271,756	7.50%	278,019
Bonds issued by Governments of foreign countries	-	199,962	-	499,926
Bonds issued by banks and financial institutions of foreign countries	-	149,969	-	-
Bonds issued by non-financial organizations of foreign countries	-	49,969	-	-
Bonds issued by banks and financial institutions of the Russian Federation	6.61% - 6.88%	41,441	6.61%-6.88%	34,732
Bonds issued by non-financial organizations of the Russian Federation	9.63%	30,764	9.63%	31,076
Total investments held-to-maturity		743,861		843,753

The fair value of investments held-to-maturity is disclosed in Note 25.

15. PROPERTY AND EQUIPMENT

	Land and buildings	Vehicles	Furniture and equipment	Construction-in-progress	Total
At historical cost					
31 December 2008	1,231	1,165	1,694	14,720	18,810
Additions	-	148	1,198	2,801	4,147
Disposals	-	-	(4)	-	(4)
31 December 2009	1,231	1,313	2,888	17,521	22,953
Transfer from construction-in-progress into other categories (unaudited)	13,906	-	502	(14,408)	-
Additions (unaudited)	178	45	504	880	1,607
30 June 2010 (unaudited)	15,315	1,358	3,894	3,993	24,560
Accumulated depreciation and amortization					
31 December 2008	-	404	561	-	965
Charge for the year	-	335	511	-	846
Eliminated on disposals	-	-	(4)	-	(4)
31 December 2009	-	739	1,068	-	1,807
Charge for the period (unaudited)	117	170	361	-	648
30 June 2010 (unaudited)	117	909	1,429	-	2,455
Net book value					
30 June 2010 (unaudited)	15,198	449	2,465	3,993	22,105
31 December 2009	1,231	574	1,820	17,521	21,146

16. OTHER ASSETS

	30 June 2010 (unaudited)	31 December 2009
Other financial assets recorded as loans and receivables in accordance with IAS 39:		
Accrued commission income and other assets	1,133	1,900
	1,133	1,900
Other non-financial assets:		
Prepaid expenses	2,940	1,613
Prepaid amounts on construction works	822	1,547
Value added tax reimbursable	184	301
Other debtors	529	1,163
Total other assets	5,608	6,524

17. LOANS AND DEPOSITS FROM BANKS

	30 June 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
Loan from a bank due in April 2011, interest rate EURIBOR+1.80%, net of discount	30,328	35,267
Loan from a financial organization	14,768	1,573
Total loans and deposits from banks	45,096	36,840

The loan from a financial organization represents multiples of loan tranches under a loan agreement between the Bank and Landesbank Berlin AG for the purpose of financing equipment imported from Germany. The loan is provided for financing advance payment for 1 year (with the extension option) and for the delivery of equipment for the tenor greater than 10 years. The interest rate of the tranches is linked to US$ LIBOR for the respective interest period. Purpose of the loan is to finance the import of the equipment for a customer of the Bank.

Maturities of loans and deposits from banks are included in Note 26 under liquidity risk.

18. DEBT SECURITIES ISSUED

	30 June 2010 (unaudited)	31 December 2009
Recorded at amortized cost:		
USD denominated 5-year Eurobonds due in September 2014, interest rate 7.375% p.a., net of discount	507,656	507,921
RUR denominated 7-year bonds (“the Ruble Bonds” or “Bonds”) due in October 2016, interest rate 10.50% (till 1 November 2010) p.a., net of discount	162,164	167,250
KZT denominated 5-year Eurobonds due in April 2014, interest rate indexed to the consumer price index of Kazakhstan, with the rate fixed at 15.00% until 28 April 2010 and fixed at 8.20% p.a. from 29 April 2010 until 28 October 2010, net of discount	136,844	137,598
Total debt securities issued	806,664	812,769

On 28 April 2009, the Bank has issued its debut Eurobonds denominated in Tenge on the special trading platform of the Regional Financial Centre of Almaty city as part of its Euro Medium Term Note Programme (“EMTN Programme”). The Eurobonds have senior payment priority and mature on 28 April 2014. The Eurobonds bear an interest rate which is indexed to the consumer price index of Kazakhstan, with the rate fixed at 8.20% per annum from 29 April 2009 until 28 October 2010.

On 29 September 2009, the Bank issued its debut international Eurobonds listed on the London Stock Exchange as part of its EMTN Programme for a total amount of 500,000 thousand US dollars. The Eurobonds have senior payment priority and mature on 29 September 2014. The Eurobonds bear an interest rate fixed at 7.375% per annum.

On 3 November 2009, the Bank issued Ruble Bonds listed on the Moscow Interbank Currency Exchange for a total amount of 5.0 billion Russian rubles. The Bonds have senior payment priority and mature on 25 October 2016. In accordance with the terms of the issuance, the Bonds bear an interest rate fixed at 10.50% per annum until 1 November 2011 and after 1 November 2011 will be determined by the Bank unilaterally. The bondholders are entitled to demand the redemption of the Bonds in two years after their issuance.

19. OTHER LIABILITIES

	30 June 2010 (unaudited)	31 December 2009
Other financial liabilities:		
Deferred income	5,280	3,002
Retirement savings plan	3,940	3,134
Short-term payments to employees	1,926	4,690
Accrued commission expenses	11	257
	11,157	11,083
Other non-financial liabilities:		
Accrued administrative expenses	488	183
Other payables	2,204	570
Total other liabilities	13,849	11,836

20. SHARE CAPITAL

As at 30 June 2010, authorized share capital consists of 1,515,600 common shares (31 December 2009: 1,515,600 common shares), and the number of issued shares consists of 1,515,600 common shares (31 December 2009: 1,500,600 common shares) with a nominal value of 1,000 US dollars each. Each issued share has one voting right.

As at 30 June 2010, the Bank's share capital comprised of the following:

	Share capital issued (unaudited)	Share capital authorized but not issued (unaudited)	Share capital authorized (unaudited)
The Russian Federation	1,000,000	-	1,000,000
The Republic of Kazakhstan	500,000	-	500,000
The Republic of Belarus	15,000	-	15,000
The Republic of Tajikistan	500	-	500
The Republic of Armenia	100	-	100
Total share capital	1,515,600	-	1,515,600

As at 31 December 2009 the Bank's share capital comprised the following:

	Share capital issued	Share capital authorized and not issued	Share capital authorized
The Russian Federation	1,000,000	-	1,000,000
The Republic of Kazakhstan	500,000	-	500,000
The Republic of Tajikistan	500	-	500
The Republic of Armenia	100	-	100
The Republic of Belarus	-	15,000	15,000
Total share capital	1,500,600	15,000	1,515,600

The table below provides a reconciliation of the number of shares outstanding as at 30 June 2010 and 31 December 2009:

	Number of shares issued, quantity	**Issued share capital, thousand USD**
31 December 2008	1,500,000	1,500,000
Issue of ordinary share capital	600	600
31 December 2009	1,500,600	1,500,600
Issue of ordinary share capital (unaudited)	15,000	15,000
30 June 2009 (unaudited)	1,515,600	1,515,600

The Bank has established a reserve fund that represents a segregation of a portion of its retained earnings. The Council of the Bank determines annually what amount of the prior year's profit will be transferred to this fund. The Charter of the Bank has restricted any distributions to participants until such time as this reserve fund represents fifteen percent of total share capital. Any such distributions will be made to participants proportionately based upon the number of the quantity of shares held.

The objective of the Bank's share capital is to cover potential losses from its operations. In accordance with the Bank's internal policies the Bank's capital should exceed 16.00% of the sum of credit, market and operational risks, estimated as per the Basle II Standardized approach. As at 30 June 2010 and 31 December 2009, the Bank was in compliance with its internal policy requirements. The Bank is not subject to any capital requirements from external regulatory entities.

21. CAPITAL RISK MANAGEMENT

The Bank manages its capital to ensure that the Bank will be able to continue as a going concern while improving its performance through the optimization of debt and equity.

The capital structure of the Bank consists of debt, which mainly includes debt securities issued disclosed in Note 18, loans and deposits from banks disclosed in Note 17, and equity attributable to equity holders, comprising issued ordinary share capital, reserves and retained earnings as disclosed in the statements of changes in equity.

The Assets and Liabilities Management Committee ("ALMC") reviews the capital structure on a monthly basis. As a part of this review, the ALMC considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the ALMC, the Executive Board of the Bank makes decisions over the issue of new debt or the redemption of existing debt. Changes in the share capital of the Bank are approved by the Council of the Bank.

22. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank is a party to financial instruments with off-balance sheet risk in order to meet the needs of its customers. These instruments, involving varying degrees of credit risk, are not reflected in the statement of financial position.

The Bank's maximum exposure to credit loss under contingent liabilities and commitments to extend credit, in the event of non-performance by the other party where all counterclaims, collateral or security prove valueless, is represented by the contractual amounts of those instruments.

The Bank uses the same credit control and management policies in undertaking off-balance sheet commitments as it does for on-balance operations.

As at 30 June 2010 and 31 December 2009 the nominal or contract amounts were:

	30 June 2010 (unaudited)	**31 December 2009**
Commitments on loans and unused credit lines	1,007,425	569,725
Letters of credit	9,793	-
Total contingent liabilities and credit commitments	1,017,218	569,725

Capital commitments

As at 30 June 2010 and 31 December 2009, capital commitments amounted to 8 thousand US dollars and 484 thousand US dollars, respectively.

Operating environment

The Bank's principal business activities are in the Republic of Kazakhstan and the Russian Federation. Laws and regulations affecting the business environment in the Republic of Kazakhstan and in the Russian Federation are subject to changes and the Bank's assets and operations could be at risk due to negative changes in the political and business environment.

23. TRANSACTIONS WITH RELATED PARTIES

Related parties and transactions with related parties are assessed in accordance with IAS 24 "Related Party Disclosures." As discussed in Note 1, the Bank's operations include the financing of projects within its Member-states, which include projects undertaken by local or national governmental entities. Accordingly, the Bank enters into numerous transactions with related parties as a result of its ownership by the Member-states. These balances and transactions have been disclosed throughout the financial statements and as such have not been included below.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form. The Bank had the following transactions with related parties:

	For six months ended 30 June 2010 (unaudited)		**For six months ended 30 June 2009 (unaudited)**	
	Related party transactions	**Total category as per financial statements caption**	**Related party transactions**	**Total category as per financial statements caption**
Key management personnel compensation, short-term employee benefits:				
Staff costs and other payments to employees	1,872	7,173	1,147	4,290
Accommodation costs of employees	158	702	201	581
Key management personnel compensation	2,030	7,875	1,348	4,871

24. SEGMENT REPORTING

The Bank's primary format for reporting segment information is based on geographic location of the operating segment. Based on the current structure of the Bank it has three operating segments. The Bank internally manages its business on a geographical basis and uses geographical basis to make operating business decisions.

Segment information for the primary geographical segments of the Bank is set out below. All revenues earned are generated from external customers.

	Russia (unaudited)	**Kazakhstan (unaudited)**	**Other countries (unaudited)**	**Total as at and for the six months ended 30 June 2010 (unaudited)**
Interest income	34,550	21,258	2,263	58,071
Interest expense	(8,734)	(8,624)	(19,429)	(36,787)
Provisions for impairment losses on loans to customers	(1,253)	(6,361)	-	(7,614)
Reversal of provisions for losses on loans to customers	1	686	-	687
Gain on financial assets at fair value through profit or loss	68,092	2,497	6,787	77,376
Loss on financial assets at fair value through profit or loss	(34,297)	(2,731)	(6,295)	(43,323)
Realized gain on financial assets available-for-sale transferred to profit and loss during the year	3,311	212	1,746	5,269
Realized loss on financial assets available-for-sale transferred to profit and loss during the year	(1,258)	(208)	(81)	(1,547)
Gain on transactions in foreign currencies	128,700	50,315	171,278	350,293
Loss on transactions in foreign currencies	(129,228)	(49,707)	(203,079)	(382,014)
Fee and commission income	1,351	230	56	1,637
Fee and commission expense	(60)	(8)	(53)	(121)
Other income	3	146	1	150
External operating income/(loss)	61,178	7,705	(46,806)	22,077
Cash and balances with national (central) banks of Member-states of the Bank	-	33,484	-	33,484
Financial assets at fair value through profit or loss	1, 909	4	15	1,928
Loans and advances to banks	566,681	70,093	201,036	837,810
Loans to customers	320,222	356,046	14,125	690,393
Financial assets available-for-sale	176,767	8,564	-	185,331
Investments held-to-maturity	343,961	-	399,900	743,861
Property and equipment	1,134	20,854	117	22,105
Intangible assets	3	922	-	925
Other assets	3,279	1,443	886	5,608
Total assets	1,413,956	491,410	616,079	2,521,445
Total liabilities	167,573	144,526	553,955	866,054
Capital expenditure	29	1,545	86	1,660
Depreciation and amortization	160	653	21	834

	Russia (unaudited)	Kazakhstan (unaudited)	Other countries (unaudited)	Total for the six months ended 30 June 2009 (unaudited)
Interest income	24,782	20,953	6,328	52,063
Interest expense	(4,246)	(1,851)	(7,673)	(13,770)
Provisions for losses on loans to customers	(1,492)	(3,473)	-	(4,965)
Reversal of provisions for losses on loans to customers	342	339	-	681
Gain on financial assets at fair value through profit or loss	3,610	4,067	-	7,677
Loss on financial assets at fair value through profit or loss	-	-	(308)	(308)
Realized gain on financial assets available-for-sale transferred to profit and loss during the year	3,035	-	-	3,035
Realized loss on financial assets available-for-sale transferred to profit and loss during the year	-	(426)	-	(426)
Loss on transactions in foreign currencies	(493)	(2,701)	(3,246)	(6,440)
Fee and commission income	844	463	-	1,307
Fee and commission expense	(194)	(40)	(1)	(235)
Other income	692	459	-	1,151
External operating income/(loss)	26,880	17,790	(4,900)	39,770

				Total as at 31 December 2009
Cash and balances with national (central) banks of Member-states of the Bank	-	94,872	-	94,872
Financial assets at fair value through profit or loss	873	-	40,060	40,933
Loans and advances to banks	357,218	70,050	163,053	590,321
Loans to customers	251,585	357,399	-	608,984
Financial assets available-for-sale	201,359	10,666	75,841	287,866
Investments held-to-maturity	343,827	-	499,926	843,753
Property and equipment	1,274	19,827	45	21,146
Intangible assets	3	1,056	-	1,059
Other assets	2,922	1,962	1,640	6,524
Total assets	1,159,061	555,832	780,565	2,495,458
Total liabilities	170,289	146,160	545,113	861,562
Capital expenditure	773	3,998	46	4,817
Depreciation and amortization	243	1,540	1	1,784

The amounts disclosed in the segment analysis above are regularly provided to and reviewed by the chief operating decision maker.

External operating income, assets, capital expenditure have been allocated based on the domicile of the counterparty. Tangible assets (cash on hand, property and equipment) have been allocated based on the country in which they are physically held.

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount at which the instrument could be exchanged in a current arm's length transaction between knowledgeable willing parties, other than in a forced or liquidation sale. The estimates presented herein are not necessarily indicative of the amounts the Bank could realize in a market exchange from the sale of its full holdings of a particular instrument.

The fair value of financial assets and liabilities approximates the carrying amount in the condensed interim statement of financial position of the Bank, with the exception of these presented below:

	30 June 2010 (unaudited)		31 December 2009	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Investments held-to-maturity	743,861	749,517	843,753	848,142

The Bank holds in its portfolio of investments held-to-maturity securities of internationally recognized organizations. The Bank did not recognize any impairment loss for the securities as at 30 June 2010.

Financial instruments recognized at fair value are broken down for disclosure purposes into a three level fair value hierarchy based on the observability of inputs as follows:

- Quoted prices in an active market (Level 1) – Valuations based on quoted prices in active markets that the Group has the ability to access for identical assets or liabilities. Valuation adjustments and block discounts are not applied to these financial instruments. Since valuations are based on quoted prices that are readily and regularly available in an active market, valuations of these products do not entail a significant amount of judgment.
- Valuation techniques using observable inputs (Level 2) – Valuations based on inputs for which all significant inputs are observable, either directly or indirectly and valuations based on one or more observable quoted prices for orderly transactions in markets that are not considered active.
- Valuation techniques incorporating information other than observable market data (Level 3) – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The Bank's valuation approach and fair value hierarchy categorization for certain significant classes of financial instruments recognized at fair value are as follows:

	30 June 2010 (unaudited)			31 December 2009		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss	-	1,928	-	40,037	896	-
Financial assets available-for-sale	150,611	-	-	253,146	-	-
Financial liabilities at fair value through profit or loss	-	184	-	-	117	-

Reconciliation from the beginning balances to the ending balances of financial assets available for sale that do not have a quoted market price in an active market and whose fair value cannot be reliably measured have been measured at cost for the 6 month period ended 30 June 2010 and for the year ended 31 December 2009 are presented as follows:

	For the six months ended 30 June 2010 (unaudited)	For the year ended 31 December 2009
Beginning of the year	34,720	35,740
Purchases	-	-
Total losses recognized in the statement of comprehensive income	-	(1,020)
End of the year	34,720	34,720

The Bank performs a test for impairment of the shares on regular basis, in accordance with IAS 39 through reviewing market conditions and indicators and the financial performance of the issuer.

26. RISK MANAGEMENT POLICIES

Management of risk is fundamental to the Bank's business and is an essential element of the Bank's operations. The main risks inherent to the Bank's operations are those related to:

- Credit risk;
- Liquidity risk;
- Market risk; and
- Operational risk.

The Bank recognizes that it is essential to have efficient and effective risk management processes in place. To enable this, the Bank has established a risk management framework, whose main purpose is to protect the Bank from risk and allow it to achieve its performance objectives. The risk management framework involves the Council of the Bank, the Executive Board of the Bank, the Department of Risk Management, the Credit Committee of the Bank, the Assets and Liabilities Management Committee, and different departments and staff in the Bank's daily operations. Through the risk management framework, the Bank manages the following risks:

Credit risk

The Bank is exposed to credit risk which is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Management of credit risk is performed by the Council, the Executive Board and the Credit Committee of the Bank. These groups manage credit risk primarily through the issuance of loans only within set limits.

The Council of the Bank determines the rate of the credit credentials of the Executive Board of the Bank. The Bank's Executive Board has the right to approve projects with a maximum exposure of 100 million US dollars, including projects on a group of associated borrowers. In cases where the credit exposure exceeds the limit, the Council of the Bank is responsible for the approval of the project. In accordance with the internal limits the maximum credit exposure on a single borrower or a group of associated borrowers cannot be more than 25 per cent of the Bank's equity. ALMC sets limits by determining maximum credit exposure on individual counterparties, including banks and issuers of securities.

For the purpose of effective credit risk management, employees of relevant departments of the Bank are included in the Credit Committee and participate in the process of considering loan applications. Based on the presentation and preliminary decision of the Credit Committee, either the Executive Board or the Council of the Bank within the limits of their powers, reviews and approves investment projects and makes decisions on any changes and amendments to the existing loan agreements.

Functions of the Credit Committee include establishing control over the level of credit risk. The Credit and Investment Department and Risk Management Department monitor the level of credit risk via analysis of borrowers and counterparties financial reports, performance and market data and inform the Credit Committee if negative trends are found. Credit risks are compared to the limits set on a daily basis.

Credit risk in the project financing

The Bank sets project financing as its core activity. Hence, credit risk management is the major and integral part of activities of the Bank and the major risk that the Bank is exposed to.

The Bank estimates that the major components of credit risk in project finance are:

- project risks;
- financial risks;
- market and industry risks;
- operational risks;
- country or sovereign risks;
- collateral risks; and
- legal, social, ecological risks.

The process of credit risk management in project finance consists of identification of potential risks, analysis of the risks, management and control of revealed risks.

During the identification phase the Bank reveals all components of credit risk associated with a particular project. The Bank prepares a risk matrix for each project where all major types of risks associated with a project are summarized and the magnitude of risks is assessed.

A further analysis of identified risks is performed to determine the possible consequences of risks when they occur. At this stage the Bank prepares a sensitivity analysis for each project. The main sensitivity analysis performed by the Bank are interest rate sensitivity analysis, currency sensitivity analysis, inflation sensitivity analysis, commodity price change sensitivity analysis, and an analysis of the effect of a change in major production costs of borrowers. Major factors considered in the identification of risks for the Bank are potential financial performance of borrowers and their expected debt servicing. The Bank also performs an analysis of each industry where borrowers operate to identify if there could be any risks due to current or possible negative market trends.

Risk identification and control is aimed at minimizing the credit risks of the Bank while providing necessary rate of return. The Bank developed and implemented the following action plan to protect its financial assets from impairment:

- risk sharing due to co-participation with other financial institutions;
- proposals of economical hedging strategies;
- optimization of financing structure;
- optimization of collateral structure; and
- monitoring of industry trends and the project realization to anticipate potential future problems.

The Bank performs continuous monitoring of investment portfolio projects to assess the impact of major risk on the investment portfolio. As risks have increased significantly due to the volatility in the global financial markets, the Bank initiated additional actions to control credit risks:

- performance of additional stress-tests of projects to consider currency exchange rates volatility, price risks, and inflation;
- analysis short-term solvency of borrowers;
- use of a conservative approach to the acceptance of collateral.

Maximum Exposure

The Bank's maximum exposure to credit risk varies significantly and is dependent on both individual risks and general market economy risks.

The following table presents the maximum exposure to credit risk of financial assets and contingent liabilities. For financial assets the maximum exposure is equal to the carrying value of those assets prior to any offset or collateral. For financial guarantees and other contingent liabilities the maximum exposure to credit risk is the maximum amount the Bank would have to pay if the guarantee was called on, or in the case of commitments, if the loan amount was called on.

As at 30 June 2010 (unaudited):

	Maximum exposure	**Offset**	**Net exposure after offset**	**Collateral pledged**	**Net exposure after offset and collateral**
Cash and balances with national (central) banks of Member-states of the Bank	33,484	-	33,484	-	33,484
Financial assets at fair value through profit or loss	1,928	-	1,928	-	1,928
Loans and advances to banks	837,810	-	837,810	162,849	674,961
Loans to customers	690,393	-	690,393	397,161	293,232
Financial assets available-for-sale	185,331	-	185,331	-	185,331
Investments held-to-maturity	743,861	-	743,861	-	743,861
Other assets	1,133	-	1,133	-	1,133

As at 31 December 2009:

	Maximum exposure	**Offset**	**Net exposure after offset**	**Collateral pledged**	**Net exposure after offset and collateral**
Cash and balances with national (central) banks of Member-states of the Bank	94,872	-	94,872	-	94,872
Financial assets at fair value through profit or loss	40,933	-	40,933	-	40,933
Loans and advances to banks	590,321	-	590,321	209,789	380,532
Loans to customers	608,984	-	608,984	261,398	347,586
Financial assets available-for-sale	287,866	-	287,866	-	287,866
Investments held-to-maturity	843,753	-	843,753	-	843,753
Other assets	1,900	-	1,900	-	1,900

Collateral for loans to customers comprised of:

As at 30 June 2010 (unaudited):

	Nominal value	**Bank's evaluated value**
Real estate or rights thereon	433,266	174,207
Guarantees	282,649	134,101
Future cash inflows	177,706	88,853
	893,621	397,161

As at 31 December 2009:

	Nominal value	**Bank's evaluated value**
Guarantees	488,197	217,347
Real estate or rights thereon	172,099	38,126
Future cash inflows	118,499	5,925
	778,795	261,398

Bank’s evaluated value represents value that the Bank could possibly obtain if it would have to sell the collateral in a forced transaction, reduced for the assessed costs and expenses associated with such sale.

Financial assets are graded according to the current credit rating issued by an internationally regarded agency. The highest possible rating is AAA. Investment grade financial assets have ratings from AAA to BBB. Financial assets which have ratings lower than BBB are classed as speculative grade.

The following table details the credit ratings of financial assets held by the Bank:

	AAA unaudited)	**AA** (unaudited)	**A** (unaudited)	**BBB** (unaudited)	**<BBB** (unaudited)	**Not rated** (unaudited)	**30 June 2010 Total** (unaudited)
Cash and balances with national (central) banks of Member-states of the Bank	-	-	-	33,484	-	-	33,484
Financial assets at fair value through profit or loss	-	15	-	-	1,913	-	1,928
Loans and advances to banks	-	76,883	30,004	393,483	190,369	147,071	837,810
Loans to customers	-	-	-	-	-	690,393	690,393
Financial assets available-for-sale	-	-	-	86,187	99,144	-	185,331
Investments held-to-maturity	324,912	74,988	-	343,961	-	-	743,861
Other assets	-	-	-	-	-	1,133	1,133

	AAA	**AA**	**A**	**BBB**	**<BBB**	**Not rated**	**31 December 2009 Total**
Cash and balances with national (central) banks of Member-states of the Bank	-	-	-	94,872	-	-	94,872
Financial assets at fair value through profit or loss	40,037	-	23	-	873	-	40,933
Loans and advances to banks	-	37,904	4	251,767	300,638	8	590,321
Loans to customers	-	-	-	-	-	608,984	608,984
Financial assets available-for-sale	-	-	1,390	182,354	104,122	-	287,866
Investments held-to-maturity	499,926	-	-	343,827	-	-	843,753
Other assets	-	-	-	-	-	1,900	1,900

As at 30 June 2010, the Bank maintained a balance of 147,071 thousand US dollars with two financial institutions which are not rated. Management carefully assessed the risks related to these financial institutions prior to entering into the transaction through their internal risk management procedures. Majority of this balance is represented by reverse repurchase agreements with maturity up to one month and collateralized with high liquid securities.

As at 30 June 2010, the Bank had issued loans to 15 customers (31 December 2009: 13) and two banks (31 December 2009: one bank). The loans are made with the intention to develop economies of the Member-states. The borrowers are not rated by international rating agencies, however, the Bank is able to perform specific monitoring of each individual loan. Each loan is regularly reviewed by the Bank’s Credit Committee.

Loans to customers are classified based on internal assessments and other analytical procedures. The Bank classifies loans according to their risk and the exposure that they potentially present to the Bank. At present, the Bank uses classifications as follows:

Loans classified to the 1st Category (standard loans) are expected to possess minimal credit risk. The financial condition of the borrower is assessed as stable and there is no indication of any external or internal factors to suggest that the financial condition of the borrower has deteriorated. In case there are some minor negative indicators, the Bank has confidence that the borrower will be able to cope with such temporary difficulties. Interest and principal are repaid in full and in a timely fashion. The borrower is considered as having the ability to repay the loan in accordance with its terms and conditions. In those cases, security provided for the loan must cover at least 100 per cent of the outstanding amount, not less than 75 per cent in case of highly liquid collateral (which may include a Government guarantee, bank guarantee with an individual rating not lower than AA from one of the rating agencies, corporate guarantee with an individual rating not lower than AA, cash collateral, Government securities or precious metals).

Loans classified to the *2nd category* are expected to possess medium credit risk. The financial condition of the borrower is stable, though there is evidence of a temporary deterioration in the financial condition of the borrower, including a decrease in income or a loss of market share. The borrower may delay loan repayments or the interest but only in single cases and not more then for 5 days.

Loans classified to the *3rd category* are expected to possess significant credit risk. The financial condition of the borrower is stable, though there is evidence of a temporary deterioration in the financial condition of the borrower, including a decrease in income or a loss of market share. Due to temporary difficulties the borrower repays the loan and the interest with several short delays.

Loans classified to the *4th category* are expected to bear high credit risk. There is evidence of a more severe deterioration in the financial condition of the borrower, including negative operating results and a declining liquidity position. The current financial condition of the borrower can be considered unstable and raises concerns as to the ability of the borrower to improve its current financial performance, thus casting doubt on the borrower's ability to repay the loan and the interest in full. Due to severe deterioration of financial health the borrower may repay the loan and interest with several long delays.

Loans classified to the *5th category* are considered to have the highest credit risk. The deterioration in the financial condition of the borrower has reached a critical level, including significant operating losses, a loss of market position, negative equity and it is probable that the borrower will be unable to repay the loan and the interest in full. The borrower has considerable repayments' delays more than for 30 days.

Loss – In the absence of any information to the contrary, the borrower's financial condition and operations have reached the point where it is evident that the borrower cannot repay the loan and the collateral value is negligible. The loan is uncollateralized or the value of the collateral covers less than 50 per cent of the borrowers' outstanding debt.

	30 June 2010 (unaudited)	**31 December 2009**
Standard loans	557,274	404,204
Loans classified to 2nd category	146,108	211,342
	703,382	615,546
Less – Allowance for losses (Note 5)	(12,989)	(6,562)
Loans to customers	690,393	608,984

As at 30 June 2010 the number of loans classified as 2nd category was three (31 December 2009: four loans).

The banking industry is generally exposed to credit risk through its financial assets and contingent liabilities. Credit risk exposure of the Bank is mostly concentrated within the Russian Federation and the Republic of Kazakhstan. The exposure is monitored on a regular basis to ensure that the credit limits and credit worthiness guidelines established by the Bank's risk management policy are not breached.

The following table details the carrying value of assets that are impaired and the ageing of those that are past due but not impaired:

	Neither past due nor impaired (unaudited)	Financial assets past due but not impaired (unaudited)	Financial assets that have been impaired (unaudited)	30 June 2010 Total (unaudited)
Cash and balances with national (central) banks of the Member-states of the Bank	33,484	-	-	33,484
Financial assets at fair value through profit or loss	1,928	-	-	1,928
Loans and advances to banks	837,810	-	-	837,810
Loans to customers	557,274	-	133,119	690,393
Financial assets available-for-sale	185,331	-	-	185,331
Investments held-to-maturity	743,861	-	-	743,861
Other assets	1,133	-	-	1,133

	Neither past due nor impaired	Financial assets past due but not impaired	Financial assets that have been impaired	31 December 2009 Total
Cash and balances with national (central) banks of the Member-states of the Bank	94,872	-	-	94,872
Financial assets at fair value through profit or loss	40,933	-	-	40,933
Loans and advances to banks	590,321	-	-	590,321
Loans to customers	404,204	-	204,780	608,984
Financial assets available-for-sale	287,866	-	-	287,866
Investments held-to-maturity	843,753	-	-	843,753
Other assets	1,900	-	-	1,900

In the above tables, financial assets which are impaired are those assets against which the Bank has recorded an allowance for losses. As at 30 June 2010, an allowance for losses has been recorded against three loans (31 December 2009: four) and the total allowance for losses equates to an effective provision rate of 1.85% (31 December 2009: 1.07%), which management believe is appropriate to cover the potential loss amount on these loans.

Liquidity risk

Liquidity risk refers to the risk of the availability of sufficient funds to meet loan repayments and other financial commitments associated with financial instruments as they actually fall due.

The ALMC manages this risk through analysis of asset and liability maturity and performance of money market transactions by the treasury department of the Bank to maintain current liquidity and optimize cash flows. The risk management department of the Bank monitors liquidity indicators and payment list, conducts gap-analysis and stress-tests.

An analysis of the liquidity and interest rate risks is presented in the following table. The presentation below is based upon the information provided internally to key management personnel of the entity.

	Weighted average effective interest rate	Up to 1 month (unaudited)	1 month to 3 months (unaudited)	3 month to 1 year (unaudited)	1 year to 5 years (unaudited)	Over 5 years (unaudited)	Maturity undefined (unaudited)	30 June 2010 Total (unaudited)
FINANCIAL ASSETS:								
Cash and balances with the national (central) banks of the Member-states of the Bank	1.00%	27,136	-	-	-	-	-	27,136
Loans and advances to banks	3.11%	656,007	-	74,090	75,022	-	-	805,119
Loans to customers	9.56%	-	-	73,307	146,434	470,652	-	690,393
Financial assets available-for-sale	8.52%	-	-	49,842	31,812	68,957	-	150,611
Investments held-to-maturity	3.31%	249,974	149,926	20,744	51,461	271,756	-	743,861
Total interest bearing financial assets		933,117	149,926	217,983	304,729	811,365	-	2,417,120
Cash and balances with the national (central) banks of the Member-states of the Bank		6,348	-	-	-	-	-	6,348
Financial assets at fair value through profit or loss		1,928	-	-	-	-	-	1,928
Loans and advances to banks		32,691	-	-	-	-	-	32,691
Financial assets available-for-sale		-	-	-	-	-	34,720	34,720
Other assets		-	15	1,118	-	-	-	1,133
Total financial assets		974,084	149,941	219,101	304,729	811,365	34,720	2,493,940
FINANCIAL LIABILITIES:								
Loans and deposits from banks	2.51%	-	-	30,328	-	14,768	-	45,096
Debt securities issued	8.04%	-	9,320	4,575	633,234	159,535	-	806,664
Total interest bearing financial liabilities		-	9,320	34,903	633,234	174,303	-	851,760
Financial liabilities at fair value through profit or loss		184	-	-	-	-	-	184
Anti-crisis Fund		261	-	-	-	-	-	261
Other liabilities		16	-	1,921	9,220	-	-	11,157
Total financial liabilities		461	9,320	36,824	642,454	174,303	-	863,362
Liquidity gap		973,623	140,621	182,277	(337,725)	637,062	34,720	
Interest sensitivity gap		933,117	140,606	183,080	(328,505)	637,062	-	
Cumulative interest sensitivity gap		933,117	1,073,723	1,256,803	928,298	1,565,360	1,565,360	
Cumulative interest sensitivity gap as a percentage of total assets		37.42%	43.05%	50.39%	37.22%	62.77%	62.77%	

	Weighted average effective interest rate	Up to 1 month	1 month to 3 months	3 month to 1 year	1 year to 5 years	Over 5 years	Maturity undefined	31 December 2009 Total
FINANCIAL ASSETS:								
Cash and balances with the national (central) banks of the Member-states of the Bank	0.84%	94,379	-	-	-	-	-	94,379
Financial assets at fair value through profit or loss	1.00%	40,037	-	-	-	-	-	40,037
Loans and advances to banks	3.11%	473,825	46,666	69,830	-	-	-	590,321
Loans to customers	9.53%	-	-	-	175,660	433,324	-	608,984
Financial assets available-for-sale	7.77%	5,608	-	2,103	64,995	180,440	-	253,146
Investments held-to-maturity	2.89%	249,976	249,950	14,132	51,676	278,019	-	843,753
Total interest bearing financial assets		863,825	296,616	86,065	292,331	891,783	-	2,430,620
Cash and balances with the national (central) banks of the Member-states of the Bank		493	-	-	-	-	-	493
Financial assets at fair value through profit or loss		896	-	-	-	-	-	896
Financial assets available-for-sale		-	-	-	-	-	34,720	34,720
Other assets		328	-	1,572	-	-	-	1,900
Total financial assets		865,542	296,616	87,637	292,331	891,783	34,720	2,468,629
FINANCIAL LIABILITIES:								
Loans and deposits from banks	2.82%	-	-	-	35,267	1,573	-	36,840
Debt securities issued	9.31%	-	9,320	6,352	632,605	164,492	-	812,769
Total interest bearing financial liabilities		-	9,320	6,352	667,872	166,065	-	849,609
Financial liabilities at fair value through profit or loss		117	-	-	-	-	-	117
Other liabilities		257	4,690	3,002	3,134	-	-	11,083
Total financial liabilities		374	14,010	9,354	671,006	166,065	-	860,809
Liquidity gap		865,168	282,606	78,283	(378,675)	725,718	34,720	
Interest sensitivity gap		863,825	287,296	79,713	(375,541)	725,718	-	
Cumulative interest sensitivity gap		863,825	1,151,121	1,230,834	855,293	1,581,011	1,581,011	
Cumulative interest sensitivity gap as a percentage of total assets		34.99%	46.63%	49.86%	34.65%	64.04%	64.04%	

A further analysis of the liquidity and interest rate risks that is presented in the tables below do not correspond to the amounts recorded in the statement of financial position as the presentation below includes a maturity analysis for financial assets and liabilities that indicates the total remaining contractual payments (including interest payments), which are not recognized in the statement of financial position under the effective interest rate method.

	Up to 1 month (unaudited)	1 month to 3 months (unaudited)	3 month to 1 year (unaudited)	1 year to 5 years (unaudited)	Over 5 years (unaudited)	Maturity undefined (unaudited)	30 June 2010 Total (unaudited)
FINANCIAL ASSETS:							
Cash and balances with national (central) banks of the Member-states of the Bank	33,495	-	-	-	-	-	33,495
Financial assets at fair value through profit or loss	1,928	-	-	-	-	-	1,928
Loans and advances to banks	688,999	74,528	-	95,571	-	-	859,098
Loans to customers	14,166	31,602	122,832	482,094	245,971	-	896,665
Financial assets available-for-sale	-	-	51,481	35,309	121,788	34,720	243,298
Investments held-to-maturity	250,000	150,000	20,944	60,568	598,258		1,079,770
Other assets	-	15	1,118	-	-	-	1,133
Total financial assets	988,588	256,145	196,375	673,542	966,017	34,720	3,115,387
FINANCIAL LIABILITIES:							
Loans and deposits from banks	-	-	30,892	-	19,098	-	49,990
Debt securities issued	-	18,440	18,676	815,164	260,235	-	1,112,515
Financial liabilities at fair value through profit or loss	184	-	-	-	-	-	184
Anti-crisis Fund	261	-	-	-	-	-	261
Other liabilities	16	-	1,921	9,220	-	-	11,157
Commitment to extend credit	-	-	-	-	1,007,425	-	1,007,425
Total financial liabilities	461	18,440	51,489	824,384	1,286,758	-	2,181,532

	Up to 1 month	1 month to 3 months	3 month to 1 year	1 year to 5 years	Over 5 years	Maturity undefined	31 December 2009 Total
FINANCIAL ASSETS:							
Cash and balances with national (central) banks of the Member-states of the Bank	94,916	-	-	-	-	-	94,916
Financial assets at fair value through profit or loss	40,933	-	-	-	-	-	40,933
Loans and advances to banks	474,636	46,666	-	93,039	-	-	614,341
Loans to customers	-	-	-	215,293	729,210	-	944,503
Financial assets available-for-sale	5,609	-	2,147	74,923	356,814	34,720	474,213
Investments held-to-maturity	250,000	250,000	14,362	62,585	620,099	-	1,197,046
Other assets	328	-	1,572	-	-	-	1,900
Total financial assets	866,422	296,666	18,081	445,840	1,706,123	34,720	3,367,852
FINANCIAL LIABILITIES:							
Loans and deposits from banks	-	-	-	37,363	1,984	-	39,347
Debt securities issued	-	18,440	18,879	881,438	277,761	-	1,196,518
Financial liabilities at fair value through profit or loss	117	-	-	-	-	-	117
Other liabilities	257	4,690	3,002	3,134	-	-	11,083
Commitment to extend credit	-	-	-	-	569,725	-	569,725
Total financial liabilities	374	23,130	21,881	921,935	849,470	-	1,816,790

Market Risk

Market risk covers interest rate risk, currency risk and other pricing risks to which the Bank is exposed. In order to measure its risks the Bank uses the following instruments: duration, modified duration and dollar value of 1 basis point and applies Value-at-Risk models.

Interest rate risk

Interest rate risk refers to the risk of fluctuations in the fair value of financial instruments due to changes in market interest rates.

The ALMC of the Bank manages interest rate risk through the management of interest-sensitive asset and liability positions of the Bank, and ensures the positive margin and expected profitability from changes in market interest rates with set limits on the maximum amount of interest rate risk accepted by the Bank. The Bank's risk management department monitors interest rate risk, estimates sensitivity of the Bank in relation to changes in interest rates and the influence of changes in interest rates on the net profit of the Bank.

Currency risk

Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank is exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows.

The Treasury Department together with the Risk Management Department manages currency risk through the management of the quantities held in open currency positions, which enables the Bank to minimize losses from significant fluctuations of exchange rates of foreign currencies. The Risk Management Department monitors the currency risk limits set by the Executive Board of the Bank.

The Bank's exposure to foreign currency exchange rate risk is presented in the table below:

	US dollars (unaudited)	Kazakhstani tenge (unaudited)	Russian ruble (unaudited)	Euro (unaudited)	Other currencies (unaudited)	30 June 2010 Total (unaudited)
Financial assets:						
Cash and balances with the national (central) banks of the Member-states of the Bank	49	33,432	3	-	-	33,484
Financial assets at fair value through profit or loss	1,892	21	-	15	-	1,928
Loans and advances to banks	505,151	-	125,720	206,935	4	837,810
Loans to customers	569,916	78,191	-	42,286	-	690,393
Financial assets available-for-sale	150,608	-	34,723	-	-	185,331
Investments held-to-maturity	743,861	-	-	-	-	743,861
Other assets	861	14	258	-	-	1,133
Total financial assets	1,972,338	111,658	160,704	249,236	4	2,493,940
Financial liabilities:						
Loans and deposits from banks	14,768	-	-	30,328	-	45,096
Financial liabilities at fair value through profit or loss	55	128	-	1	-	184
Anti-crisis Fund	261	-	-	-	-	261
Debt securities issued	507,656	136,844	162,164	-	-	806,664
Other liabilities	11,000	2	2	153	-	11,157
Total financial liabilities	533,740	136,974	162,166	30,482	-	863,362
OPEN POSITION	1,438,598	(25,316)	(1,462)	218,754	4	

	US dollars	Kazakhstani tenge	Russian ruble	Euro	Other currencies	31 December 2009 Total
Financial assets:						
Cash and balances with the national (central) banks of the Member-states of the Bank	38	94,829	5	-	-	94,872
Financial assets at fair value through profit or loss	40,933	-	-	-	-	40,933
Loans and advances to banks	305,476	-	79,746	205,091	8	590,321
Loans to customers	486,796	81,257	-	40,931	-	608,984
Financial assets available-for-sale	202,266	-	85,600	-	-	287,866
Investments held-to-maturity	843,753	-	-	-	-	843,753
Other assets	1,877	-	23	-	-	1,900
Total financial assets	1,881,139	176,086	165,374	246,022	8	2,468,629
Financial liabilities:						
Loans and deposits from banks	1,573	-	-	35,267	-	36,840
Financial liabilities at fair value through profit or loss	117	-	-	-	-	117
Debt securities issued	507,922	137,597	167,250	-	-	812,769
Other liabilities	10,796	2	3	282	-	11,083
Total financial liabilities	520,408	137,599	167,253	35,549	-	860,809
OPEN POSITION	1,360,731	38,487	(1,879)	210,473	8	

Derivative financial instruments and spot contracts

Transactions are undertaken in derivative financial instruments ("derivatives"), which include cross currency swaps, and forwards. Derivatives are contracts or agreements whose value is derived from one or more underlying indices or asset values inherent in the contract or agreement, which require no or little initial net investment and are settled at a future date.

Fair value of derivative financial instruments and spot contracts are included in the currency analysis presented above and the following table presents further analysis of currency risk by types of derivative financial instruments and spot contracts:

	US dollars (unaudited)	Kazakhstani tenge (unaudited)	Russian ruble (unaudited)	Euro (unaudited)	Other currencies (unaudited)	30 June 2010 Total (unaudited)
Accounts payable on spot and derivative contracts	(99,352)	(87,013)	-	(227,144)	-	(413,509)
Accounts receivable on spot and derivative contracts	315,994	92,893	-	6,365	-	415,252
NET SPOT AND DERIVATIVE FINANCIAL INSTRUMENTS POSITION	216,642	5,880	-	(220,779)	-	1,743
TOTAL OPEN POSITION	1,655,240	(19,436)	(1,462)	(2,025)	4	

	US dollars	Kazakhstani tenge	Russian ruble	Euro	Other currencies	31 December 2009 Total
Accounts payable on spot and derivative contracts	-	(40,117)	-	(211,675)	-	(251,792)
Accounts receivable on spot and derivative contracts	252,571	-	-	-	-	252,571
NET SPOT AND DERIVATIVE FINANCIAL INSTRUMENTS POSITION	252,571	(40,117)	-	(211,675)	-	779
TOTAL OPEN POSITION	1,613,302	(1,630)	(1,879)	(1,202)	8	

27. SUBSEQUENT EVENTS

Up to the date of issue of these financial statements Management have not identified any significant subsequent events which require disclosure.