

# Annual Report 2010



**Amsterdam Trade Bank**  
Member of Alfa • Bank Group

<b>REPORT OF THE SUPERVISORY BOARD</b>	<b>4</b>
<b>REPORT OF THE BOARD OF MANAGING DIRECTORS</b>	<b>5</b>
<b>CORPORATE GOVERNANCE</b>	<b>10</b>
<b>CONSOLIDATED FINANCIAL STATEMENTS 2010</b>	<b>11</b>
Consolidated Balance Sheet as at December 31st, 2010	12
Consolidated Profit and Loss account 2010	13
Consolidated Cash flow statement 2010	14
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31st, 2010</b>	<b>15</b>
Overview of Amsterdam Trade Bank N.V.	16
Accounting policies	16
Policies, risks and risk management	19
<b>CONSOLIDATED BALANCE AND OFF-BALANCE SHEET</b>	<b>25</b>
Consolidated Balance Sheet as at December 31st, 2010	26
Consolidated Contingent Liabilities and Commitments as at December 31st, 2010	36
<b>CONSOLIDATED PROFIT AND LOSS ACCOUNT 2010</b>	<b>41</b>
<b>CORPORATE FINANCIAL STATEMENTS 2010</b>	<b>45</b>
Amsterdam Trade Bank N.V. Corporate Balance Sheet as at December 31st, 2010	46
Amsterdam Trade Bank N.V. Corporate Profit and Loss account 2010	47
Amsterdam Trade Bank N.V. Notes to the Corporate Financial Statements as at December 31st, 2010	48
<b>OTHER INFORMATION</b>	<b>50</b>
Subsequent events	51
Appropriation of result	51
Independent auditor's report	52

We are pleased to present the financial statements of Amsterdam Trade Bank N.V. ('the Bank') for the year ended December 31st, 2010 as prepared by the Board of Managing Directors and adopted by ourselves. These statements have been audited by KPMG Accountants N.V.

We recommend the Shareholder to adopt the financial statements and to ratify the actions of the Board of Managing Directors and the oversight exercised by the Supervisory Board. On adoption of the profit appropriation contained therein, the net profit for 2010 will be declared as dividend.

The Supervisory Board met seven times in the course of 2010 and was very appreciative of the open dialogue with the Board of Managing Directors. The topics for discussion included the annual and quarterly figures, budgeting, strategy, and Corporate Governance including amendment of the Articles of Association and Charters.

The Audit Committee met twice in the same period and discussed the financial statements, the reports of the external auditor and its audit plan for 2010. The Audit Committee also discussed the internal audit and internal control plan, including progress, main findings and conclusion of the Internal Auditors and Internal Control Officers. The internal and external auditors were present at all meetings. The reports of Risk Management and Compliance were discussed as well. During the year the Supervisory Board established the Risk and Compliance Committee and a Remuneration and Nominating Committee.

In adherence with the Dutch Banking Code, during 2010 the Bank initiated a training program in which all members of the Supervisory Board and the Board of Managing Directors participated. This training program aims to enhance required knowledge in areas such as Corporate Governance, Regulatory reporting & Regulatory framework, Risk management and Financial reporting and will be continued in 2011.

On June 18th, 2010 Mr. V. Tatarchuk resigned as member of the Supervisory Board. The Bank wishes to express its appreciation of the manner in which Mr. Tatarchuk has performed his duties.

On June 17th, 2010 the Board of Managing Directors was strengthened with the appointment of Mr. J.H.F. Umbgrove, Chief Risk Officer. We would like to thank Mr. Den Held who resigned as member of the Board of Managing Directors on April 30th, 2010 after more than 4 years. We wish to compliment the Board of Managing Directors and the staff for their work and dedication. We also like to express our gratitude to all our clients for placing their trust in our bank.

Amsterdam, April 1st, 2011

Supervisory Board:

J. Jonach, Chairman  
A. V. Drovossekov  
R. D. James  
K. A. de Jong  
P. Nazariyan  
A. van 't Veer

The Amsterdam Trade Bank N.V. ('the Bank'), an independent financial institution under the supervision of the Dutch Central Bank (De Nederlandsche Bank N.V.), is part of Alfa Group, one of the largest Russian private financial-industrial conglomerates.

#### Vision and Mission

It is the Bank's vision to be recognized as an international dynamic bank, with a well established network in the financial community in Russia, the CIS – CEE countries and Western Europe. The Bank aims to be the bank of choice for financial interactions between CIS and Europe.

The mission of the Bank is focused on building a diverse, competent and strong team of professionals, performing to the highest standards and supporting clients with excellent service and high quality financial products, based on its niche position and experience in international financial markets.

The Bank strives for a medium term average return on equity that is commensurate to the increased level of risk that is inherent to its geographical focus using rigorous controls and portfolio techniques.

#### Development in 2010

In 2010 the Bank has made important steps towards implementing and executing the newly established strategy with a main focus on commercial lending, structured trade finance and treasury.

The Bank's activities were mainly concentrated on balance sheet and transaction based lending to various sectors, such as oil & gas, manufacturing, wholesale, retail trade and real estate. In 2010 the Bank aimed to move further towards becoming a specialist bank for trade and investment flows of corporates and financial institutions to and from Russia and other CIS countries. Borrowers are mainly large corporates, active in strategic industries. By the end of 2010 the geographical concentration of the Bank's loan portfolio showed an increase to 42.7% (2009: 36.1%) of EMU exposure and other countries based exposure, compared with a decrease to 57.3% (2009: 63.9%) of exposures in Russian and other CIS countries, which illustrates a slight diversification of the country based risk exposure. These activities have been funded by Dutch and German retail savings and deposits and deposits from corporates.

Treasury has further professionalized its activities. While improving the profitability of the Bank's ALM activity, the sales desk offered a bigger variety of products to corporates, resulting in a higher income for the Bank. Also some fee income from trading could be generated and efforts to expand the variety of funding sources were initiated.

A new Corporate Finance activity was set up. Within Corporate Finance, the Structured Trade and Commodity Finance teams succeeded in originating new clients for the Bank, while the Syndicated Loan activities and Asset-Backed Finance contributed to the income of the Bank as well. Products such as Pre-Export Finance or Trade Finance Services predominately collateralized by exchange-listed commodities are now standard in the Bank. Additionally, Client Management and Financial Institutions Departments were set up. In the Bank's terms, corporate clients are medium to large sized corporates in Europe with a Russia and CIS dimension. Financial Institutions is primarily supporting Treasury and Trade Finance activities.

Transaction Management has a main focus on lending operations and cooperating with related banks in the Alfa group.

During the first half of 2010 the Bank performed an IT business continuity test which concluded a satisfactory outcome. The Bank further enhanced its organisational structure with new senior professionals. In the second half of this year an updated version of the core banking system has been successfully implemented. Important steps have been made in selecting a new treasury management system which will be implemented during the first half year of 2011.

In line with requirements of the Dutch Banking Code amendments have been made to the Articles of Association and Charters in order to enhance the Corporate Governance of the Bank. Further enhancements have been accomplished by introducing several new risk policies to strengthen the Bank's risk management framework, such as: Country Risk Policy, Credit Portfolio Management Policy, Product Approval Policy, Fixed Income Investment Policy and Collateral Management Policy.

#### Development in financial markets

In 2010 the overall picture for banks operating in Russia and other CIS countries improved compared to previous years, although the consequences of the financial crisis are still affecting the economy.

The Russian economy grew by 3.8% in 2010 (compared to a 7.9% fall in 2009), and according to the World Bank it is expected to further grow by 4.5% in 2011 and 3.5% in 2012 as domestic demand expands in line with gradual improvements in the labour and credit markets.

The Belarusian economy grew by 7.2% in 2010 (compared to 0.2% in 2009), and is expected to further grow by 6.2% in 2011 and 4.7% in 2012.

The Kazakh economy grew by 5.4% in 2010 (compared to 1.2% in 2009), and is expected to further grow by 5.1% in 2011 and 5.5% in 2012.

The Ukrainian economy grew by 3.7% in 2010 (compared to 15.1% slump in 2009), and is expected to further grow by 4.5% in 2011 and 4.8% in 2012.

#### Key financials

The results continued to improve slightly in 2010. Taking into account that the amendment of the Bank's guarantee scheme with its parent at year-end 2009 caused a transfer of commercial loans to an amount of EUR 121 million during the year, the loan portfolio in fact remained fairly stable, standing at EUR 863 million (2009: EUR 1,017 million).

The total assets at year-end 2010 amounted to EUR 2,472 million (2009: EUR 2,631 million). The Bank's retail funding in the Netherlands and Germany further decreased according to plan to EUR 1,121 million at year end (2009: EUR 1,548 million).

Interest, commissions and other income increased by 19% to EUR 38 million, while operating expenses (excluding value adjustments to receivables) decreased by 29% to EUR 22 million, leading to an operational result before tax of EUR 11 million (2009: EUR 14 million). The increase of total income in 2010 is partly offset by the increase in the profit sharing fee charged to the Bank by Alfa Group banks amounting to EUR 7.7 million (2009: EUR 1.9 million).

The movement in the value adjustments to receivables mainly consists of an addition to the loan loss provision of EUR 10 million and a release of the provision amounting to EUR 5 million. This loan loss provision is based on a careful and prudent assessment and relates to a relatively small number of clients that is negatively affected by weak financial circumstances in their sector. As from 2010 the loan loss provision also includes a provision for incurred but not reported (IBNR) credit losses of EUR 1.5 million.

The cost to income ratio before provisions significantly improved to 58% (compared to 98% in 2009). Net profit after taxation came to EUR 8.2 million (2009: EUR 7.8 million). The increase in net profit is

mainly due to increased interest margin, which resulted from a lower interest expense as a result of decreased interest rates paid on private savings and deposits. Furthermore, the 2010 net profit of EUR 8.2 million compared to 2009 is positively impacted by various one-off items with a total gross impact of some EUR 6.1 million included in the operating expenses of 2009 (excluding value adjustment to receivables). The 2009 net profit was significantly impacted by the release of loan loss provision of EUR 13.2 million (pre tax).

Subject to increased lending opportunities in the Bank's core business, the Bank will decide on the further pricing strategy in the savings and deposit market as well as other funding sources.

#### Capital Adequacy

The Bank's BIS ratio, calculated under Basel II regulations, stood at 26.5% at year-end 2010 (in 2009: 21.6%) evidencing a prudent solvency strategy.

The Bank continues to monitor the Capital Adequacy through its Internal Capital Adequacy Assessment Process (ICAAP) framework following Basel II (Pillar 2) requirements. The internal capital requirement is calculated for concentration risk, country risk, interest rate risk in the banking book and its adequacy is evaluated on a monthly basis under a severe but plausible stress testing scenario.

In September 2010, the Bank submitted its fourth ICAAP report to the Dutch Central Bank in compliance with Basel II requirements. In 2011 the Bank will further analyse the impact of Basel III.

#### Risk management

Risk management is of eminent importance to the Bank. In its business the Bank runs an increased level of risk inherent to the Bank's geographical focus. The Bank applies rigorous controls and portfolio techniques to manage risks and constantly evaluates the potential risks and assesses the measures capable of mitigating these risks. The Bank is exposed to various risks, mainly:

- Credit risk
- Country risk
- Liquidity risk
- Market risk
- Operational risk
- Reputation and Compliance risk

The Bank follows the 'three lines of defence' concept. The first line is formed by the control measures that are included in the operating processes and that have to be monitored by the line managers' internal control activities. The second line consists of the monitoring role played by specialists of the Risk Management and Compliance departments, which operate independently from commercial activities. The third line is the internal audit function.

The Bank continues to use derivative transactions to hedge foreign exchange and interest rate risk, and is starting to use derivatives to hedge certain credit and country risks. For further information relating to Policies, Risk and Risk Management we refer to specific paragraphs of the financial statements.

During the year a board member seat was assigned to the Chief Risk Officer demonstrating our commitment to continuous improvement of risk management.

#### Dutch Banking Code

The Bank has adopted the Dutch Banking Code that became effective as at January 1st, 2010. Implementation was realized in close cooperation with the Supervisory Board. The required topics of the Dutch Banking Code have been addressed in detail and in the meantime an updated statement was published on the Bank's website at year-end 2010.

In the course of 2010 the Bank dedicated significant efforts to ensure compliance with the Dutch Banking Code by implementing the required topics which focus in particular on the role of the Board of Managing Directors and the Supervisory Board, the function of risk management and developing a new remuneration policy. During 2010 the Bank initiated a training program in which all members of the Supervisory Board and the Board of Managing Directors participated. This training program aims to enhance required knowledge in areas such as Corporate Governance, Regulatory reporting & Regulatory framework, Risk management and Financial reporting and will be continued in 2011.

The interest of the customer has always been a priority to the Bank. The Bank considers the interests of its customers during the acceptance process by drawing up a customer profile and assessing their operations. During development of new products, considerable attention is given to the interests of the customer.

### Employees

The Bank has paid a great deal of attention to recruiting new professionals. The Bank continued the upgrade in skills and quality of the Bank in 2010 and has been able to attract highly experienced employees in particular to the Commercial Departments, Treasury and Risk Management.

The total number of staff, expressed in FTE's, increased to 98 as at December 31st, 2010 (2009: 92).

The Board of Managing Directors had several constructive meetings with the Works Council during the year.

### Outlook

For 2011 the Board of Managing Directors expects a number of challenges related to our ambitious strategy of business expansion. With our strong capital base and sound liquidity, the Bank aims to expand its business through growth of the loan portfolio and the provision of additional products and services to our customers (e.g. derivatives, financial instruments and trade finance). This strategy will allow us to diversify the income sources. On the funding side, our objective is to diversify funding sources under prudent asset and liability management to ensure adequate and economically efficient liquidity.

The above mentioned results could not have been achieved without our devoted staff, our loyal clients and supportive shareholder. The Board of Managing Directors wishes to thank them all and, together with these stakeholders, will certainly do its utmost to increase the Bank's results still further in the years ahead.

### Statement by the Board of Managing Directors

Statement by the Board of Managing Directors ex article 5.25c (2c) of the Financial Supervision Act.

To our knowledge:

1. The financial statements give a true and fair view of the assets, liabilities, financial position and the profit and loss account of the Bank; and
2. The annual report gives a true and fair view regarding the position of the balance sheet as at December 31st, 2010, the state of affairs during the financial year of the Bank, and the principal risks confronting the Bank are disclosed.

Amsterdam, April 1st, 2011

Board of Managing Directors:

M. Czurda, Chief Executive Officer

H.W. te Beest, Chief Financial Officer

J.H.F. Umbgrove, Chief Risk Officer (as from June 17th, 2010)



H.W. te Beest

J.H.F. Umbgrove

M. Czurda

### Board of Managing Directors

The Board of Managing Directors is responsible for the management of Amsterdam Trade Bank N.V. ('the Bank'), each of its three members having specific areas of interest within an allocation of duties. The members of the Board of Managing Directors are appointed by the General Meeting of Shareholders upon nomination of the Supervisory Board.

In accordance with best practices, the Board of Managing Directors submits the Bank's operational and financial objectives together with the strategy to achieve stated goals to the Supervisory Board for its consideration and approval. The outlined objectives and strategy include detailed parameters to be applied in relation to the strategy, such as the Bank's financial ratios and capital adequacy level.

### Supervisory Board

Oversight of the Board of Managing Directors and the general course of affairs of the Bank and business connected therewith is entrusted to the Supervisory Board. The Supervisory Board also assists the Board of Managing Directors by giving advice. The members of the Supervisory Board are required to act in accordance with the interests of the Bank. Pursuant to the Articles of Association, Supervisory Board members are empowered to obtain any information they deem necessary for the performance of their duties. Members of the Supervisory Board are appointed by the General Meeting of Shareholders. Each member of the Supervisory Board is expected to be capable of assessing the broad outline of overall policy, in addition to having the specific expertise required to fulfill his or her designated role.

The Supervisory Board currently consists of six non-executive members. Specific issues are dealt with and prepared in the Audit Committee appointed by and consisting of a number of members of the Supervisory Board.

### Audit Committee

The Audit Committee's main task is to assist the Supervisory Board in monitoring the adequacy and integrity of the Bank's financial statements, the auditor's competence and independence, the performance of the internal audit function, and the audit findings on the quality and effectiveness of the system of governance, risk management and the Bank's control procedures. The Audit Committee reports its findings to the Supervisory Board and these findings are discussed in the plenary meetings of the Supervisory Board.

### Risk Policy and Compliance Committee

The Risk Policy and Compliance Committee's main task is to assist the Supervisory Board in its oversight of the Bank's risk policy, appetite for and profit on market risk, credit risk, investment risk and operational risks and the Bank's Code of Conduct (compliance including the Regulation on Whistle-blowers and internal governance).

The Risk Policy and Compliance Committee reports its findings to the Supervisory Board and these findings are discussed in the plenary meetings of the Supervisory Board.

### Remuneration and Nominating Committee

The Remuneration and Nominating Committee's main task is to assist the Supervisory Board in preparing and presenting proposals for the remuneration policy for Supervisory Board members, members of the Board of Managing Directors and Senior Management and principles for the remuneration policy for other staff, implementing and evaluating the agreed remuneration policies for the Supervisory Board and Board of Managing Directors, monitoring the implementation of the remuneration policy for Senior Management and other staff, presenting proposals for the remuneration evaluation of Supervisory Board members, Board of Managing Directors and selected Senior Management, presenting proposals for the Management development policy and succession planning for (members of) the Board of Managing Directors and Supervisory Board and presenting proposals for appointment, re-appointment and dismissals to the Supervisory Board, its committees and the Board of Managing Directors.

The Remuneration and Nominating Committee reports its findings to the Supervisory Board and these findings are discussed in the plenary meetings of the Supervisory Board.



# Consolidated Financial Statements 2010

As at December 31st, 2010  
(before appropriation of profit)



**Amsterdam Trade Bank**  
Member of Alfa • Bank Group

## Consolidated Balance Sheet

As at December 31st, 2010  
(before appropriation of profit)  
(in euro)

### Assets

	Note	2010	2009
Cash and balances at central banks	1	328,747,504	354,182,364
Banks	2	884,939,573	909,073,986
Loans and advances	3	863,047,037	1,016,530,881
Interest-bearing securities	4	347,677,997	301,551,798
Participating interests	5	59,035	59,029
Property and equipment	6	4,123,540	3,317,232
Prepayments and accrued income	7	43,163,113	46,547,888

Total assets		2,471,757,799	2,631,263,178
--------------	--	---------------	---------------

### Liabilities

Banks	8	49,530,831	76,985,778
Funds entrusted	9	2,058,684,347	2,185,339,143
Accruals and deferred income	10	31,305,663	46,047,996
Fund for general banking risks	11	1,591,603	1,591,603
Subordinated liabilities	12	90,000,000	90,000,000
Shareholder's equity:			
- Paid-in and called-up capital		117,343,424	117,343,424
- Share premium		4,317,803	4,317,803
- Retained earnings		109,143,211	101,319,964
- FX translation reserve		1,674,202	491,819
- Revaluation reserve		2,400	2,400
- Net profit		8,164,315	7,823,248
Total shareholder's equity	13	240,645,355	231,298,658

Total liabilities and shareholder's equity		2,471,757,799	2,631,263,178
--	--	---------------	---------------

### Contingent liabilities pursuant to:

Guarantees	14	71,909,268	66,712,309
Irrevocable credit facilities	15	70,968,331	7,386,075

# Consolidated Profit and Loss account 2010

(in euro)

			2010	2009
<b>Income</b>				
	Note			
Interest income	16	103,094,501	147,875,326	
Interest expense	17	70,240,657	120,918,426	
Net interest			32,853,844	26,956,900
Commission income	18	5,128,307	4,484,777	
Commission expense	18	892,231	907,082	
Net commission			4,236,076	3,577,695
Result on financial transactions	19		-93,884	500,667
Other income	20		1,339,034	1,058,642
Total income			38,335,070	32,093,904
<b>Expense</b>				
Staff cost	21		12,844,374	12,983,891
Other administrative cost	21		8,275,309	15,095,410
Depreciation	22		982,867	3,235,366
Value adjustment to receivables	23		5,037,051	-13,213,252
Total expense			27,139,601	18,101,415
Operating result before tax			11,195,469	13,992,489
Taxation			3,031,154	6,169,241
Net profit			8,164,315	7,823,248

Consolidated  
Cash flow statement  
2010

(in euro)

	2010	2009
Net result	8,164,315	7,823,248
<i>Non-cash items included in profit</i>		
Depreciation of fixed assets	982,867	3,235,366
Provisions and impairments	5,100,327	-21,228,343
Income tax expense	3,031,154	6,169,241
Amortization of premium/discount on bonds	-2,498,432	-513,464
Other value adjustments	-2,278,017	2,210,962
<i>Changes in operating assets and liabilities</i>		
Banks assets	24,134,413	-101,366,092
Banks liabilities	-27,454,947	-123,099,912
Loans and advances	148,383,517	705,711,933
Funds entrusted	-126,654,796	-164,833,281
Increase/decrease prepayments and accrued interest	2,852,052	29,222,461
Increase/decrease accruals and deferred income	-14,742,333	-10,194,301
<b>Cash flow from operating activities</b>	<b>19,020,120</b>	<b>333,137,818</b>
<i>Investing activities</i>		
Investment tangible fixed assets	-1,789,175	-1,840,623
Investment intangible fixed assets	-	785,043
Investment interest-bearing securities	-393,737,189	-353,642,947
Redemptions of interest-bearing securities	349,889,001	140,374,240
<b>Cash flow from investing activities</b>	<b>-45,637,363</b>	<b>-214,324,287</b>
Net cash flow	-26,617,243	118,813,531
Exchange rate and translation differences on cash and cash equivalents	1,182,383	283,035
Cash balance as at January 1st	354,182,364	235,085,798
Cash balance as at December 31st	328,747,504	354,182,364

Notes to the  
Consolidated  
Financial  
Statements

As at December 31st, 2010



## OVERVIEW OF AMSTERDAM TRADE BANK N.V.

### General

Amsterdam Trade Bank N.V. ('the Bank'), with its statutory residence at Herengracht 475, Amsterdam in the Netherlands, was incorporated in October 1994 as a Dutch credit institution under the supervision of De Nederlandsche Bank N.V. (DNB, the Dutch central bank). The Bank received a full banking license in November 1994.

In March 2001 the Bank became a fully owned subsidiary of the OAO Alfa Bank, Moscow.

The Bank's core business activities are providing loans and advances to companies in Russia, other CIS countries and Central Eastern Europe and providing Saving & Deposits facilities to private customers in the Netherlands and Germany. The Bank has its own representative offices in Almaty and Moscow.

The Bank's financial statements have been prepared in conformity with section 14, "Provisions for banks", of Book 2, Title 9 of the Netherlands Civil Code, the recommendations of DNB concerning the financial statements of banks and the guidelines of the Council for Annual Reporting (Raad voor de Jaarverslaggeving).

The consolidated financial statements are presented in Euro.

The consolidated financial statements comprise the Bank, ATB Leasing LLC and Amsterdam Trade Capital Administration Corporation B.V.

ATB Leasing, with its statutory residence in Moscow, is a Russia based subsidiary. Its business is providing financial lease in Russia, for which the Bank provides the funding. ATB Leasing was established in 2007, but started its business effectively in 2008. Amsterdam Trade Capital Administration Corporation has its statutory residence in Amsterdam.

## ACCOUNTING POLICIES

### General

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements. In 2010 the accounting principles have not been changed compared to 2009.

Assets and liabilities have been included at their face value, unless stated otherwise below. Assets are shown after deduction of any diminution in their value as deemed necessary.

Financial instruments are recorded on transaction date.

### Foreign currencies

Items of the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

ATB Leasing has the rouble as functional currency as it operates in a rouble economic environment. All other companies have the Euro as their functional currency.

### Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are converted at spot rates applicable at balance sheet date. Exchange rate effects arising from the conversion of assets and liabilities are stated in the profit and loss account as 'Results on financial transactions'.

Transactions in foreign currencies are translated at the exchange rate prevailing on the transaction date.

### Banks

Banks comprise loans and advances to banks, stated at face value after deduction of specific provisions for doubtful debts, if necessary.

### Loans and advances

Loans and advances are valued at amortized cost less impairment charges, if necessary. The change in impairments is recognized in 'Value adjustments to receivables'.

### Interest-bearing securities

Interest-bearing securities are part of the investment portfolio and comprise all investments. The majority is intended to be held to maturity. The remainder is held for longer term investment purposes. The investment portfolio is valued at amortized cost less impairment charges. The related premiums and discounts are recognized under 'Prepayments and accrued income' or 'Accruals and deferred income' respectively. Premiums and discounts are amortized over the remaining life of the securities on a straight line basis.

### Participating interests

Participating interests in which the Bank has significant influence, but which it does not control or which are held for the sole purpose of the Bank's activities as a bank are valued on the basis of the net asset value method.

### Property and equipment

Property and equipment is stated at acquisition price less straight-line depreciation on the basis of estimated useful economic life. No residual values are taken into account.

Depreciation of Property and equipment is as follows:

Leasehold improvement	:	10 years
Computer equipment and software	:	5 years
Other equipment	:	5 years

In 2009 the method for depreciation of Property and equipment has been aligned with fiscal accounting principles.

At balance sheet date the Bank assesses whether there is objective evidence for an impairment of fixed assets. Fixed assets are impaired if loss event(s) occurred that had an impact on the estimated realizable value of these assets.

### Fund for general banking risks (FAR)

The Bank has formed a general banking risk provision to cover general risks arising from banking activities.

The tax payable or reclaimable on the movements in the general provision for banking risks is charged or added to this general provision.

### Derivatives

As part of its economic hedging policy, the Bank uses derivatives such as Foreign Exchange Swaps to offset foreign exchange risks related to specific asset and liability positions and Interest Rate Swaps for hedging its interest rate risk.

The Bank only enters into derivative transactions to mitigate risk and applies cost price hedge accounting. In line with the cost price hedge model the derivatives are kept off-balance and accrued based upon the contractual terms of the contracts, generally maturing in accordance with the relating asset or liability. The associated income or expense is recorded under interest. The accrued interest receivable is stated under "Prepayments and accrued interest" and for accrued interest payable under 'Accruals and deferred income'.

# Notes to the Consolidated Financial Statements

As at December 31st, 2010

## Contingent assets and liabilities

Contingent assets and liabilities are included at their face value and are recorded off-balance, unless the asset is virtually certain or the liability will probably result in a cash outflow which is reliably measurable.

## Determination of results

Interest income and expense are attributed to the period in which they arise. Interest and commission of which receipt is uncertain are not recorded as income.

Commissions and operating expenses are recognized in the period to which they relate.

## Cash flow statement

The cash flow statement has been drawn up in accordance with the indirect method, distinguishing between cash flows from operating, investing and financing activities.

The accounting principles applied for the cash flow statement are in conformity with those applied for both balance sheet and profit and loss account.

## Fair value

Where the fair value of financial assets and liabilities recorded on the balance sheet cannot be derived from active markets, they are determined using valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing the fair value. The following summarizes the major methods and assumptions used in estimating the fair values of 'Loans and advances'.

The estimated fair value of Loans and advances represents the discounted amount of estimated future cash flows of individual loans expected to be received. Expected cash flows are discounted based upon (a) the difference between initial funding rates versus the current market rates and (b) the change into the risk profile of the borrower and other market circumstances.

The carrying amount of floating rate inter-bank placements, overnight deposits and fixed deposits is deemed to be a good estimate of their value given.

The fair value of the securities in the investment portfolio is based on the market prices as at December 31st, 2010. The fair value of derivatives is based on observable market data.

## POLICIES, RISKS AND RISK MANAGEMENT

### Introduction

The Bank's commercial strategy is guided by the Portfolio Management Policy, approved by the Board of Managing Directors. The Policy is updated at least annually to reflect the current strategy of the Bank, to reflect changes in the economic environment in the Bank's core markets and to actively manage the credit portfolio.

The commercial strategy is implemented through 4 business units, Transaction Management, Client Management, Corporate Finance and Treasury, each with a specific focus within the Bank's target areas:

- Geographies: Russia, CIS, CEE and a few selected other countries.
- Products: Structured Trade & Commodity Finance, Asset-Backed Finance, (Syndicated) Loans, Cash Management Services and Treasury Products.
- Industries: Oil & Gas, Utilities, Petrochemicals, Retail Trade, Commodity traders, ICT trading, Commercial Real Estate, Engineering.

The Bank is subject to the following typical risks: credit risk, market risk (interest rate risk and foreign currency risk), country risk and liquidity risk. The Bank is also subject to more general risks, such as operational risk, reputation risk and compliance risk. The Board of Managing Directors actively manages the Bank's daily operations and related risks. The Supervisory Board sets the commercial strategy and the overall risk appetite of the Bank and supervises the activities of the Board of Managing Directors.

The Bank follows the 'three lines of defense' concept. The first line is formed by the control measures that are included in the operating processes and that have to be monitored by the line managers' internal control activities. The second line consists of the monitoring role by specialists of the Risk Management and Compliance departments, which operate independently from commercial activities. The third line is the internal audit function.

There are six committees, supporting the Board of Managing Directors in managing risks:

- Credit Committee  
The Credit Committee meetings are held weekly to advise on new credit proposals and acceptance of new clients, and to monitor the credit risk, overdue positions and collateral. New credit proposals are finally decided by the Board of Managing Directors.
- Asset and Liability Committee (ALCO)  
The ALCO meets biweekly to monitor interest, foreign currency and liquidity risks and solvency.
- Audit and Operational Risk Committee  
The Audit and Operational Risk Committee meets monthly and discusses issues relating to the maintenance of an adequate operational risk management framework, assessment of the operational risk related incidents, and complaints and progress in the internal control framework.
- Country Risk Committee  
The Country Risk Committee meetings are held quarterly to advise the Board of Managing Directors on the utilization of country limits, as well as on the adaptation of limits. Individual transactions are allocated to specific country limits by the Credit Committee. New/increased country limits are finally decided by the Supervisory Board on the advice of the Board of Managing Directors.
- Provisioning Committee  
The Provisioning Committee meets on a quarterly basis. All relevant loans are being discussed and problem loans are identified. Potential problem loans are put under special monitoring for industry and company specific developments. The Provisioning Committee advises the Board of Managing Directors on loan impairments and which provisions should be taken for them.

- Compliance Committee

The Compliance Committee meetings are held monthly to advise the Board of Managing Directors on client acceptance procedures (KYC), on authorization procedures, on division of duty and to monitor the adherence to these procedures.

Strategic risk is managed directly by Board of Managing Directors.

The following section addresses definition and control measures of identified risk categories.

#### Credit risk

Credit risk is defined as the current or prospective threat to the Bank's earnings and capital as a result of counterparty's failure to comply with financial or other contractual obligations.

Credit risk constitutes the Bank's most significant risk and arises mainly from trade-finance and lending business. Credit risk also represents all forms of counterparty exposure, namely where counter parties default on their obligations to the Bank in relation to hedging, settlement and other financial activities. The Board of Managing Directors is responsible for establishing credit policies and the mechanism, organization and procedures required to analyze, manage and control credit risk. In order to identify, measure and manage risk arising from these activities, the Bank has put adequate methodologies, policies, procedures and expertise in place.

Credit risk is managed in accordance with limits and asset quality measures which are criteria set out in policies approved and monitored by the Board of Managing Directors. The policies place limits on One Obligor Exposure, rating class, industry sector and country.

On borrower level compliance with credit agreement and pledge agreement covenants and limit utilization is daily monitored. Deterioration or improvement in the credit quality of the borrower is monitored by the Commercial Departments and the Risk Management Department.

Credit risk related to Treasury activities is managed by limits, asset quality measures and criteria set out by the Fixed Income Investment Policy, as approved by the Supervisory Board on the advice of the Board of Managing Directors.

For corporate clients, the Bank uses an internal Client Rating Model, validated by an external consultancy firm, to assess the probability of default of (potential) borrowers. Credit assessments provided by External Credit Assessment Institutions are considered as part of the credit assessment process for Financial Institutions and for bond investments.

#### *Impairment or losses on loans and advances*

The Bank reviews at least quarterly all relevant loans and advances to each individual customer and scores the exposures with an internal rating in order to assess whether an allowance for impairment should be recorded in the profit and loss account. This review is based on the identification of so called impairment indicators (such as for example amounts overdue or requests for restructuring) in order to assess the likelihood and magnitude of incurred losses.

Proposals for impairments are discussed in the Provision Committee and proposed to the Board of Managing Directors. The Board of Managing Directors decides on the level of impairments. Provisions for loan losses are determined in line with the Provisioning Policy. Impairment losses are based on discounted cash flows of the outstanding loan (including a cash flow for the collateral value based on the estimated market value, if applicable).

For the loans and advances that are under restructuring the impairment loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Such estimation is by its nature based on assumptions and actual results may differ, resulting in future changes.

The gross amount of outstanding loans and advances were EUR 0.9 billion as at December 31st, 2010 (2009: EUR 1.0 billion), including provision for loan losses of EUR 29.0 million (2009: EUR 23.9 million).

#### Concentration risk

Concentration risk is the credit risk related to the degree of diversification in the credit portfolio. The Bank takes into account separately single name concentration, country concentration and sector concentration. In addition, the Bank has implemented a framework to measure concentration risk quantitatively and established an approach that links concentration risk levels to capital allocation.

Individual counterparty concentration is defined as the existence of large exposures to individual counterparties and/or a group of connected counterparties. This type of concentration is also often referred to as 'name concentration'. The definition of 'connected' includes exposures which are connected through, for example, common ownership/management/guarantors. The Bank manages single name concentration risk and calculates internal capital for this risk under the Basel II framework.

Sector concentration is also referred to as 'industry concentration' and relates to the risk that sector or industry factors drive the likelihood of default for a significant number of counterparties in the portfolio. Sector concentration risk arises if the portfolio is unbalanced in exposures to certain sectors, entailing dependencies between default events.

No additional capital charge is calculated for sector concentration due to the small number of counterparties in the Bank's loan portfolio: the individual counter party concentration capital charge reflects sector concentration as well.

The Bank applies the NACE industry classification for internal reporting purposes, based upon the Dutch Central Bank sector classifications.

#### Country risk

The Country Risk Policy of the Bank defines country risk as exposure to cross-border risk, specifically convertibility and transfer risk, i.e. the risk of obligations not being repaid as a consequence of a debt moratorium or similar payment restriction.

For the purposes of its country risk assessment, the Bank considers the country of risk as the country of ultimate payment risk for the transaction. This may be the country of counterparty residence, the country of the parent company or a third country where the cash flow to repay the loan is generated from.

In line with the DNB 'Policy rule on the treatment of concentration risk in emerging countries', the Bank recognizes its own funds should be sufficient to absorb the risks connected with material concentrations of exposure on certain risk countries.

For determining material country concentration, the Bank has taken into account risk mitigating instruments which satisfy the minimum requirements regarding credit risk mitigation.

The management of geographic concentration is covered in the Bank's Portfolio Management Policy. Historically, due to the geographical concentration of the Bank's borrowers, development of the Bank's credit portfolio is closely linked to economic and political developments in Russia, CIS countries and CEE. The Bank's current commercial strategy will gradually lead to a more diversified portfolio from a geographic point of view.

#### Liquidity risk

The objective of liquidity management is to ensure the availability of sufficient cash flows to meet all financial commitments. Clients' demand deposits, savings and term deposit accounts and inter-bank funding by the parent bank are the primary sources of liquidity for the Bank's operations.

# Notes to the Consolidated Financial Statements

As at December 31st, 2010

In addition, the Bank holds an investment portfolio consisting of marketable corporate as well as government bonds, which can be readily converted into cash.

Liquidity gaps show size and maturity in mismatch of assets and liabilities and thus the liquidity risk. A liquidity gap analysis is done on a regular basis and submitted to the ALCO. It distributes all on-balance sheet expected cash flows in predefined maturity buckets according to the remaining maturity.

The Bank holds a conservative liquidity buffer calculated on a daily basis on stringent assumptions of outflow of savings and deposits. In addition, the Bank runs stress scenarios on liquidity and evaluates liquidity contingency based on the results of the scenarios.

The following table represents an overview of the mismatch in the maturities of (financial) assets and liabilities.

	2010	2009
On demand	-397,384,965	-412,490,498
Between one and three months	546,024,343	668,785,574
Between three months and one year	115,801,806	-71,208,293
Between one and three years	67,805,798	143,324,104
Over three years	-73,897,100	-93,779,300
Non maturing	-258,349,882	-234,631,587

For liquidity management purposes, the Bank prepares daily cash flow projections with respect to the total cash flow available for lending based on historical data from the last two years. These projections show that current liquidity profile is sufficient to withstand stress scenarios.

### Market risk

Market risk is defined as the current or prospective risk of potential reduction in net income or decrease in capital arising from adverse market movements in for instance bond prices, security or commodity prices or foreign exchange rates in the trading book.

It is the Bank's policy not to be exposed to significant open positions in interest rate and foreign currency risks.

### Foreign exchange risk

The foreign exchange risk is the current or future risk on returns and shareholders' equity due to unfavorable foreign exchange changes. The Bank's foreign currency position is mainly caused by:

- operational activities
- credit activities, and
- investment activities.

The foreign currency positions due to operational activities, such as money transfer are covered on a day to day basis by spot transactions. The foreign currency positions due to credit and investment activities are hedged by means of derivatives, such as swaps and forward contracts. The value of these derivatives is derived from one or more underlying assets, reference prices or indices. The Bank applies these instruments to hedge the foreign currency risk. There are limits set for the foreign exchange positions which are monitored on a daily basis.

### Interest rate risk in the banking book

The interest rate risk is the current or future risk on returns and shareholders' equity due to unfavorable interest rate changes. The Bank is exposed to interest rate risk when there are differences between amounts or interest rates in the interest earning assets and interest bearing liabilities with specified repricing bands. To a large part the maturities of these assets and liabilities are matched. However, where the interest rate is not equal to the maturity calendar, the interest rate risk is monitored by the ALCO

within the limits set. The interest rate risk is hedged by means of derivatives, such as interest rate swaps. The value of these derivatives is derived from one or more underlying assets, reference prices or indices.

#### Hedging

The Bank has developed and implemented hedge strategies to reduce its Interest Rate (IR) Mismatch and its exposure to Foreign Currency (FX) fluctuations.

##### 1. Interest Rate Mismatch

The maturity mismatches between assets and liabilities are managed through the GAP report, which quantifies the risks in interest rate reset buckets. The impact of the market rates changes are calculated on a 100 basis points shock of parallel shifts. To hedge the mismatch the Bank uses interest rate swaps.

##### 2. Foreign Currency hedge strategy

The Bank only provides lending in several currencies, EUR, USD, RUR. In case of USD and RUR, the currency risk is hedged by using FX swaps on roll-over base till maturity of the loans.

For quantitative information on the Bank's exposure to Interest Rate Risk and Foreign Currency, reference is made to page 37 up until page 39 of the consolidated financial statements.

#### Operational risk

The Bank is exposed to certain potential losses caused by a failure in information, system processing, settlement of transactions and procedures. The Bank's policy to control operational risk is communicated to key employees. The four-eye principle, training, specific procedures and directives, segregation of duties, supervision and last but not least monitoring of complaints received from clients and counterparties.

#### Reputation and Compliance risk

To minimize reputation risk, the Bank assigns high priority to meeting integrity compliance requirements in relation to client acceptance procedures and transparency of transactions. The know-your-client principle (KYC) is very important in this respect. Before an account is opened all new clients are scrutinized by the (weekly) Compliance Committee based on an extensive checklist. Furthermore, all payments are screened daily against denied party lists, and all incoming and outgoing payments above a certain amount are reviewed monthly by the Compliance Committee for irregularities.

#### Basel II

The Bank has implemented the Standardized Approach for credit risk capital adequacy calculation and the Basic Indicator Approach for Operational Risk capital calculation. The Bank has also developed its ICAAP framework to meet Basel II – Pillar 2 requirements, under which internal capital is calculated for concentration risk, country risk, and interest rate risk in the banking book and stress test.

In September 2010, the Bank submitted its fourth Internal Capital Adequacy Assessment Process (ICAAP) report to DNB in compliance with Basel II requirements.

#### Stress Test Framework

The Bank operates under biweekly liquidity stress tests and implements its liquidity contingency plan based on the results of these stress tests. The Bank also runs monthly macro-economic stress tests and calculates stress capital based on the results of these tests under the ICAAP framework.



Consolidated  
Balance and  
Off-Balance Sheet



**Amsterdam Trade Bank**  
Member of Alfa • Bank Group

# Consolidated Balance Sheet

as at December 31st, 2010

Assets  
(in euro)

2010

2009

## 1) Cash and balances at central banks

328,747,504

354,182,364

Cash and balances at central banks represent all legal tender, as well as current accounts, freely available, held at the central banks. Under Dutch law, the Bank is required to keep a certain average balance at the Dutch Central Bank, this balance is not freely available.

## 2) Banks

884,939,573

909,073,986

Banks include balances on current accounts with banks, time deposits and loans to banks and can be classified as follows as at December 31st:

<i>By remaining period:</i>	2010	%	2009	%
<b>Parent bank and related banks</b>				
On demand	2,160,339	1.1	5,874,968	2.0
Due within one month	26,377,337	13.8	131,441,280	44.6
Between one and three months	26,610,020	13.9	65,529,728	22.2
Between three and six months	132,240,683	69.2	84,686,936	28.8
Between six months and one year	3,741,655	2.0	6,941,552	2.4
<b>Total parent bank and related banks</b>	<b>191,130,034</b>	<b>100.0</b>	<b>294,474,464</b>	<b>100.0</b>
<b>Other banks</b>				
On demand	172,198,362	24.8	171,932,368	28.0
Due within one month	452,396,475	65.3	425,799,182	69.2
Between one and three months	18,862,483	2.7	-	-
Between three and six months	430,325	0.1	1,596,557	0.3
Between six months and one year	34,051,789	4.9	15,271,415	2.5
Between one and three years	3,741,955	0.5	-	-
Between three and five years	12,128,150	1.7	-	-
<b>Total other banks</b>	<b>693,809,539</b>	<b>100.0</b>	<b>614,599,522</b>	<b>100.0</b>
<b>General total banks</b>	<b>884,939,573</b>		<b>909,073,986</b>	
<i>Geographical concentration:</i>				
Russia	208,949,874	23.6	257,770,815	28.4
Other CIS countries	30,452,450	3.4	51,975,064	5.7
EMU countries	490,935,201	55.5	538,259,719	59.2
Other European countries	74,934,209	8.5	16,517,500	1.8
Other countries	79,668,839	9.0	44,550,888	4.9
<b>Total</b>	<b>884,939,573</b>	<b>100.0</b>	<b>909,073,986</b>	<b>100.0</b>

Secured by pledged deposits placed at the Bank are receivables from:

- Parent bank and related banks amounting to EUR 172,743,831 (2009: EUR 252,599,496);
- Other banks amounting to EUR 391,028,416 (2009: EUR 175,799,182).

On demand balances with other banks comprise EUR 78,308,042 (2009: EUR 84,441,535) pledges for L/C's, guarantees and off-balance transactions. These assets are consistently not freely available.

## Consolidated Balance Sheet

Reported under this heading is a net amount of EUR 12.1 million due to a payment of EUR 15,903,150 to Dutch Central Bank relating to the Bank's share in the bankruptcy of the Dutch DSB Bank N.V. under the Dutch Depository Scheme. The amount has been impaired for the expected loss up to EUR 3,775,000.

as at December 31st, 2010

### 3) Loans and advances

863,047,037 1,016,530,881

Assets  
(in euro)

Loans and advances to customers can be classified as follows:

<i>By remaining period:</i>	2010	%	2009	%
Receivables on demand	30,387,984	3.5	134,441,191	13.2
Due within one month	26,906,676	3.1	98,180,184	9.7
Between one and three months	176,597,694	20.5	80,926,117	8.0
Between three and six months	132,719,931	15.4	140,806,908	13.9
Between six months and one year	105,038,441	12.2	126,308,501	12.4
Between one and three years	341,108,250	39.5	366,136,749	36.0
Between three and five years	43,886,635	5.1	64,248,917	6.3
Between five and ten years	6,401,426	0.7	5,482,314	0.5
<b>Total</b>	<b>863,047,037</b>	<b>100.0</b>	<b>1,016,530,881</b>	<b>100.0</b>
<i>Concentration of credit risk:</i>				
Secured by moveable goods	86,804,648	10.1	122,134,410	12.0
Secured by equipment	41,206,406	4.8	35,125,430	3.5
Secured by deposits	158,998,933	18.4	63,787,944	6.3
Secured by mortgages	166,423,077	19.3	168,908,885	16.6
Secured by unlisted shares	19,551,614	2.3	40,261,002	4.0
Secured by letters of comfort issued by Alfa Bank companies	35,736,370	4.1	101,602,615	10.0
Secured by transfer guarantee of Alfa Bank	13,096,842	1.5	186,837,750	18.4
Secured by guarantees	15,052,885	1.7	98,945,133	9.7
Various secured	7,757,032	0.9	32,779,674	3.2
Various unsecured	318,419,230	36.9	166,148,038	16.3
<b>Total</b>	<b>863,047,037</b>	<b>100.0</b>	<b>1,016,530,881</b>	<b>100.0</b>
<i>Loans by sector and industry:</i>				
Finance	65,700,049	7.6	82,830,007	8.1
Manufacturing and construction	317,628,797	36.7	309,359,976	30.5
Trading companies	129,256,974	15.0	93,684,251	9.2
Transport	127,674,494	14.8	84,035,326	8.3
Metal industry	55,762,744	6.5	143,479,088	14.1
Others	167,023,979	19.4	303,142,233	29.8
<b>Total</b>	<b>863,047,037</b>	<b>100.0</b>	<b>1,016,530,881</b>	<b>100.0</b>

# Consolidated Balance Sheet

as at December 31st, 2010

Assets  
(in euro)

<i>Geographical concentration:</i>	2010	%	2009	%
Russia	224,210,915	26.0	413,630,528	40.7
Other CIS countries	268,072,694	31.1	235,876,333	23.2
EMU countries	181,601,597	21.0	225,476,113	22.2
Other European countries	66,829,983	7.7	30,750,941	3.0
Other countries	122,331,848	14.2	110,796,966	10.9
<b>Total</b>	<b>863,047,037</b>	<b>100.0</b>	<b>1,016,530,881</b>	<b>100.0</b>

Loans and advances include:

- loans amounting to EUR 58,611,150 (2009: EUR 56,061,583) for finance lease transactions of ATB Leasing. These loans have a maturity up to 8 years. Lessees are Russian railway corporations, and the collateral for these leases are Russian railway wagons (moveable goods).
- receivables from the affiliated entities amounting to EUR 7,422,322 (2009: EUR 29,029,365).

No Loans and advances are outstanding to the Board of Managing Directors and Supervisory Board (2009: nil).

Of the Loans and advances as at December 31st, 2010 an amount of EUR 13 million has been guaranteed by the parent bank.

At year end EUR 49,497,709 (2009: EUR 56,061,583) of Loans and advances are secured by deposits placed by the parent bank for the same period of the loans.

Mortgages relate to real estate (EUR 137 million; 2009 EUR 265 million) and ship financing (EUR 30 million; 2009: EUR 21 million).

Guarantees are of both personal and corporate nature.

<i>Geographical concentration Collateral:</i>	2010	%	2009	%
Russia	271,808,309	31.5	503,984,333	49.7
Other CIS countries	172,891,007	20.0	204,588,707	20.1
EMU countries	102,611,444	11.9	117,389,239	11.5
Other countries	63,688,971	7.4	24,420,564	2.4
Unsecured	252,047,306	29.2	166,148,038	16.3
<b>Total</b>	<b>863,047,037</b>	<b>100.0</b>	<b>1,016,530,881</b>	<b>100.0</b>

The value of the collateral as included in the table above is based on valuation reports received from external valuers or other sources (including warehouses and clients). The Bank requires periodic updates on these valuation reports. Due to the current volatile market conditions the value of the collateral can differ significantly from the value as stated in the latest available reports.

In addition to other collateral, both personal and corporate guarantees are arranged for repayment of the underlying principal and interest amounts.

## Consolidated Balance Sheet

as at December 31st, 2010

Assets  
(in euro)

	2010	2009
<b>Value adjustment to receivables</b>	28,952,000	23,851,139
Balance as at January 1st	23,851,139	45,079,481
Releases through P&L	-4,872,525	-35,927,283
Additions through P&L	9,909,576	22,714,031
Write offs	-	-8,015,090
Other additions	63,810	-
<b>Balance as at December 31st</b>	<b>28,952,000</b>	<b>23,851,139</b>

### Fair value of Loans and advances

The following table summarizes the carrying amount and fair value of Loans and advances, not recognized on the balance sheet at their fair value.

	2010	2009
Nominal value	863,047,037	1,016,530,881
Fair value	804,287,069	952,823,234

In estimating the fair value the following major methods and assumptions were used:

- Loans and advances are net of impairment. The estimated fair value represents the discounted amount of estimated future cash flows of individual loans expected to be received.
- Expected cash flows are discounted at current market rates based on the initial contract rates to determine the fair value.
- In the spread to determine the fair value, the risk profile of the outstanding loans has been taken into account.

Given the volatile economic environment the realized value may differ significantly from the stated fair value in the event the loans would be sold before maturity.

	2010	2009
<b>4) Interest-bearing securities</b>	<b>347,677,997</b>	<b>301,551,798</b>

Interest-bearing securities represent listed fixed income bonds, issued by the Dutch, French, German, Italian and Spanish governments, German province, Russian municipalities, Russian and European financial institutions and European and Kazakh corporates. The bonds are included in the investment portfolio of the Bank.

Movements in the interest-bearing securities were as follows:

	2010	2009
Balance as at January 1st	301,551,798	90,532,802
Purchases	393,737,189	353,642,947
Redemptions	349,889,001	133,281,036
Sales	-	7,093,204
Revaluation bonds nominated in USD	2,278,011	-2,249,711
<b>Balance as at December 31st</b>	<b>347,677,997</b>	<b>301,551,798</b>

# Consolidated Balance Sheet

as at December 31st, 2010

Assets  
(in euro)

<i>Geographical concentration:</i>	2010	%	2009	%
Russia	38,410,103	11.0	39,944,273	13.2
Other CIS countries	11,225,864	3.2	8,607,525	2.9
EMU countries	288,758,120	83.1	253,000,000	83.9
Other European countries	9,283,910	2.7	-	-
<b>Total</b>	<b>347,677,997</b>	<b>100.0</b>	<b>301,551,798</b>	<b>100.0</b>

The Russian and Other CIS countries securities are bonds issued by financial institutions, municipalities and corporates. EUR 289 million (2009: EUR 253 million) in EMU countries of which EUR 201 million (2009: EUR 226 million) are Dutch, French, German, Italian and Spanish state bonds. The unamortized difference between the interest-bearing securities valued at redemption value and the acquisition price is EUR 2,494,950 (2009: EUR 2,543,408).

The gross amounts are stated in 'Prepayments and accrued income' (EUR 3,193,205) and 'Accruals and deferred income' (EUR 698,255).

The Bank has the intention and liability to hold the interest-bearing securities to redemption date.

The remaining maturity of the interest-bearing securities:

	2010	2009
< 1 year	274,793,624	138,744,273
> 1 year	72,884,373	162,807,525
<b>Total</b>	<b>347,677,997</b>	<b>301,551,798</b>

The fair value of interest-bearing securities is EUR 353 million (2009: EUR 310 million) at year end.

	2010	2009
<b>5) Participating interests</b>	<b>59,035</b>	<b>59,029</b>

Participating interests represent non-listed shares.

	2010	2009
Balance as at January 1st	59,029	20,280
Investment	-	37,769
Revaluation of participating interest	6	980
<b>Balance as at December 31st</b>	<b>59,035</b>	<b>59,029</b>

The balance of Participating interests as at December 31st, 2010 represents:

22 (2009: 22) shares of Swift (Society for Worldwide Interbank Financial Telecommunication).



# Consolidated Balance Sheet

2010

2009

## 8) Banks

49,530,831

76,985,778

Banks represent non-subordinated amounts owed to banks and not embodied in debt securities.

as at December 31st, 2010

Liabilities  
(in euro)

<i>By remaining period:</i>	2010	%	2009	%
<b>Parent bank and related banks</b>				
Payable on demand	29,815	0.1	4,155,193	5.4
Due within one month	-	-	769,355	1.0
Between one and three months	24,760,414	50.0	65,137,031	84.6
Between three and six months	-	-	2,308,065	3.0
Between six months and one year	-	-	4,616,134	6.0
Between one and three years	-	-	-	-
Between three and five years	-	-	-	-
Between five and ten years	24,737,295	49.9	-	-
<b>Total parent bank and related banks</b>	<b>49,527,524</b>	<b>100.0</b>	<b>76,985,778</b>	<b>100.0</b>
<b>Other banks</b>				
Payable on demand	3,307	100.0	-	-
Due within one month	-	-	-	-
Between one and three months	-	-	-	-
<b>Total other banks</b>	<b>3,307</b>	<b>100.0</b>	<b>-</b>	<b>-</b>
<b>Total Banks</b>	<b>49,530,831</b>		<b>76,985,778</b>	

## 9) Funds entrusted

2010  
2,058,684,347

2009  
2,185,339,143

Included under this item are non-subordinated debts.

	2010	%	2009	%
Savings & Savings deposits	1,120,660,296	54.5	1,547,976,745	70.9
Current accounts	293,312,234	14.2	192,125,356	8.8
Fixed deposit accounts	59,454,872	2.9	4,909,132	0.2
Deposit accounts pledged to the Bank	585,256,945	28.4	440,327,910	20.1
<b>Total</b>	<b>2,058,684,347</b>	<b>100.0</b>	<b>2,185,339,143</b>	<b>100.0</b>

# Consolidated Balance Sheet

as at December 31st, 2010

Liabilities  
(in euro)

<i>By remaining period:</i>	2010	%	2009	%
<b>Affiliated entities</b>				
Payable on demand	215,092,272	52.3	124,250,037	36.0
Payable within one month	49,067,802	11.9	89,818,247	26.0
Between one and three months	19,126,111	4.6	53,459,728	15.5
Between three and six months	128,498,728	31.2	77,745,384	22.5
Between six months and one year	-	-	-	-
<b>Total</b>	<b>411,784,913</b>	<b>100.0</b>	<b>345,273,396</b>	<b>100.0</b>
<b>Savings &amp; savings deposits</b>				
Payable on demand	332,211,724	29.6	545,513,269	35.2
Payable within one month	6,339,527	0.6	18,132,606	1.2
Between one and three months	32,684,315	2.9	105,307,835	6.8
Between three and six months	83,755,036	7.5	177,910,269	11.5
Between six months and one year	282,188,406	25.2	239,826,579	15.5
Between one and three years	331,440,599	29.6	375,620,169	24.3
Between three and five years	52,040,689	4.6	85,666,017	5.5
<b>Total</b>	<b>1,120,660,296</b>	<b>100.0</b>	<b>1,547,976,744</b>	<b>100.0</b>
<b>Other customers</b>				
Payable on demand	102,555,886	19.5	84,404,884	28.9
Payable within one month	418,457,474	79.5	193,422,215	66.3
Between one and three months	281,217	0.1	70,000	0.0
Between three and six months	150,000	0.0	7,041,552	2.4
Between six months and one year	3,761,653	0.7	7,090,352	2.4
Between one and three years	1,032,908	0.2	-	-
Between three and five years	-	-	60,000	0.0
<b>Total</b>	<b>526,239,138</b>	<b>100.0</b>	<b>292,089,003</b>	<b>100.0</b>
<b>Total Funds entrusted</b>	<b>2,058,684,347</b>		<b>2,185,339,143</b>	

Other customers include for an amount of EUR 391 million a deposit from related parties.

## Consolidated Balance Sheet

as at December 31st, 2010

Liabilities  
(in euro)

	2010	2009
<b>10) Accruals and deferred income</b>	<b>31,305,663</b>	<b>46,047,996</b>
Interest payable	2010	2009
- Parent bank and related banks	3,855,294	3,672,917
- Affiliated group companies	799,662	768,213
- Banks	1,146,631	1,754,072
- Customers	1,547,444	5,503,378
Discount on Interest-bearing securities	698,255	1,281,055
Revaluation FX contracts	10,650,543	18,464,119
Other accruals/deferred income	12,607,834	14,604,242
<b>Total</b>	<b>31,305,663</b>	<b>46,047,996</b>

Other accruals/deferred income mainly comprise salary related expenses and other expenses payable.

	2010	2009
<b>11) Fund for general banking risks</b>	<b>1,591,603</b>	<b>1,591,603</b>

No additions to or releases from the Fund have been made in 2010 and 2009.

	2010	2009
<b>12) Subordinated liabilities</b>	<b>90,000,000</b>	<b>90,000,000</b>

The subordinated liabilities are subordinated in respect of other current and future liabilities of the Bank. The maturity of the total loan is October 30th, 2020. The interest of 5.0022% (2009: 4.7275%) is fixed until October 31st, 2011.

In 2010 the interest expense for the subordinated loan amounted to EUR 4,355,734.

# Consolidated Balance Sheet

as at December 31st, 2010

Liabilities  
(in euro)

## 13) Shareholder's equity

Statement of changes in shareholder's equity:

2010

2009

240,645,355

231,298,658

	Paid-in and called-up capital	Share premium	Retained earnings	Other reserves	Net profit	Total
Balance as at December 31st, 2008	117,343,424	4,317,803	71,099,205	211,184	30,220,759	223,192,375
Profit appropriation	-	-	30,220,759	-	-30,220,759	-
FX revaluation reserve	-	-	-	283,035	-	283,035
Net result 2009	-	-	-	-	7,823,248	7,823,248
Balance as at December 31st, 2009	117,343,424	4,317,803	101,319,964	494,219	7,823,248	231,298,658
Profit appropriation	-	-	7,823,248	-	-7,823,248	-
FX revaluation reserve	-	-	-	1,182,383	-	1,182,383
Net result 2010	-	-	-	-	8,164,315	8,164,315
Balance as at December 31st, 2010	117,343,424	4,317,803	109,143,211	1,676,602	8,164,315	240,645,355

### Paid-in and called-up capital

As at December 31, 2010 all shares were held by OAO Alfa Bank, Moscow.

The authorized capital amounts to EUR 411,719,132 (2009: EUR 411,719,132).

According to the Articles of Association the shares are subdivided in 907,310 shares (each valued at EUR 453.78 at par), of which 258,591 shares have been issued and fully paid up.

### Share premium

In December 1995 a share premium was paid amounting to EUR 4,537,802.

In 2003 capital tax was paid amounting to EUR 219,999.

No additional share premium was received in 2010 or 2009.

## Consolidated Contingent Liabilities and Commitments

as at December 31st, 2010  
(in euro)

	2010	2009
<b>14) Guarantees</b>	71,909,268	66,712,309
These are irrevocable contingent liabilities pursuant to guarantees. Contingent liabilities represent Guarantees issued EUR 15,179,861 (2009: EUR 56,679) and Letters of credit EUR 56,729,407 (2009: EUR 66,655,630). The guarantees are secured by collateral.		

<i>Geographical concentration:</i>	2010	2009
Russia	-	41,657,336
CIS countries	42,722,457	22,707,622
EMU countries	20,768,297	2,347,351
Other countries	8,418,514	-
	71,909,268	66,712,309
<i>By remaining period:</i>		
Within 1 year	69,086,150	23,961,718
Between 1 and 5 years	2,823,118	42,750,591
	71,909,268	66,712,309

	2010	2009
<b>15) Irrevocable credit facilities</b>	70,968,331	7,386,075
Irrevocable credit facilities comprise the total amount of commitments in respect to undrawn irrevocable credit facilities.		

<i>Geographical concentration:</i>	2010	2009
CIS countries	50,039,760	-
EMU countries	20,928,571	3,470,776
Other countries	-	3,915,299
	70,968,331	7,386,075
<i>Secured by:</i>		
Mortgages	-	3,470,776
Other	10,000,000	3,915,299
Unsecured	60,968,331	-
	70,968,331	7,386,075

### Liabilities pledged to the Bank

In connection to the risk profile of outstanding loans and other assets, the following liabilities have been allocated to assets under pledge agreements and are consistently no longer freely available to the client.

## Consolidated Contingent Liabilities and Commitments

as at December 31st, 2010  
(in euro)

	2010		2009	
	Liabilities	Assets	Liabilities	Assets
Parent bank and related banks	49,497,709	172,743,831	72,830,585	251,902,419
Affiliated group companies	169,002,175	-	221,023,359	72,830,585
Other banks	-	391,028,416	-	176,496,259
Loans and advances/Funds entrusted	395,403,859	50,131,496	252,685,429	45,310,110
<b>Total</b>	<b>613,903,743</b>	<b>613,903,743</b>	<b>546,539,373</b>	<b>546,539,373</b>

The related accrued interest on pledged liabilities is included in the pledge agreements as security for the accrued interest on assets, but is not included in this table.

### Related parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

For the 2010 financial statements, the Bank defines and interprets related parties as associated companies, shareholders, the Board of Managing Directors, the Supervisory Board, close family members and enterprises which are controlled by these individuals (Board of Managing Directors and Supervisory Board) through their majority shareholding or their role as chairman and/or CEO in those companies.

Transactions are at arm's length basis and are based upon contractual arrangements and relate mainly to back-to-back loans, the funding of the Bank and pledged deposit agreements. Amounts receivable or payable to related parties and income and expenses regarding related parties are disclosed in the notes to the financial statements.

### Rental commitments

The Bank has entered into rental agreements for its office premises and office equipment amounting to EUR 4.1 million (2009: EUR 2.2 million).

Of this amount EUR 891,000 is payable within 1 year; EUR 2,984,000 is payable between 1 and 5 years and EUR 231,000 is payable over 5 years.

### Currency risk

The total euro equivalent of assets in foreign currency amounts to 1,338 million (2009: 1,314 million), while the total of the liabilities in foreign currencies amounts to 838 million (2009: 575 million).

### Foreign exchange contracts

Year	Notional amount			Market value	
	Total	<= 1 year	1-< 5 year	Positive	Negative
2010	569,404,281	569,404,281	-	2,133,401	-10,797,233
2009	717,000,000	717,000,000	-	459,144	-18,688,997

Notional amounts are the principal amounts represented by the derivatives. Positive replacement value represents the loss the Bank could incur if all counterparties would be in default at the end of 2010. The positive replacement value depends on the market conditions prevailing at balance sheet date. The Foreign Exchange Contracts are all OTC-traded (over-the-counter).

## Consolidated Contingent Liabilities and Commitments

as at December 31st, 2010  
(in euro)

### Interest risk

In the Gap report below (for the two main currencies) the Bank's balance sheet is divided in buckets. Each bucket shows that part of the balance sheet, that is maturing (for interest), in that specific timeframe.

As such the Gap report shows the interest risk in the given currency.

A positive amount represents a debit balance, a negative amount represents a credit balance.

Euro Gap report (in euro million)	2010	2009
Due within one month	407.8	472.3
Between one and three months	317.7	483.3
Between three and six months	27.4	-17.8
Between six months and one year	-193.0	-314.4
Between one and three years	-284.8	-276.2
Between three and five years	-32.7	-97.4
Between five and ten years	-	3.5
Non-interest bearing	-224.9	-232.0
<b>Total</b>	<b>17.5</b>	<b>21.3</b>
USD Gap report (in euro million)	2010	2009
Due within one month	-90.4	157.3
Between one and three months	-43.0	-264.1
Between three and six months	67.8	0.3
Between six months and one year	1.2	76.7
Between one and three years	57.6	11.0
Between three and five years	33.1	-0.9
Between five and ten years	-11.9	11.9
Non-interest bearing	0.1	0.1
<b>Total</b>	<b>14.5</b>	<b>-7.7</b>

### Interest risk

The Bank uses Interest Rate Swaps to hedge interest risk out of the credit portfolio.

#### Interest Rate Swaps

Year	Notional amount			Market value	
	Total	<= 1 year	1-< 5 year	Positive	Negative
2010	287,309,402	145,128,291	142,181,111	-	-10,766,326
2009	421,239,206	150,982,631	270,256,575	-	-13,946,608

On weighted average the interest on the floating (receive) side is 0.427% (2009: 0.32%) and on the fixed side 3.85% (2009: 3.81%). The remaining maturity (until repricing) on the floating side is 51 (2009: 45) days and 471 (2009: 571) days on the fixed side. The Interest Rate Swap contracts are all OTC-traded (over-the-counter).



## Consolidated Contingent Liabilities and Commitments

as at December 31st, 2010  
(in euro)

### Capital information

The following required capital information applies to Amsterdam Trade Bank N.V. (based upon Basel II accord).

	2010	2009
BIS ratio (under Basel II accord)	26.5%	21.6%
Total capital required (in million euro)	98	116
Total capital available (in million euro)	324	312

In line with regulations applicable to the whole banking sector in the Netherlands, the Bank started using the Basel II principles in 2008.

The BIS ratios are calculated on the basis of IFRS accounting principles as applied by the Bank in its reporting to its parent company and deviate from the accounting principles as used in these financial statements. The difference with the biggest impact on result and equity between these accounting principles is the application of hedge accounting for the derivatives in these financial statements, whereas hedge accounting is not applied for IFRS reporting purposes. As a result the net result 2010 is higher and equity as at 31 December 2010 is lower under IFRS accounting principles. The Dutch Central Bank sets solvency ratios for banks in the Netherlands, also based on Basel II.

In 2010 and 2009 the required solvency ratios have been met.

Consolidated  
Profit and Loss  
Account 2010



**Amsterdam Trade Bank**  
Member of Alfa•Bank Group

# Consolidated Profit and Loss Account 2010

(in euro)

2010

2009

## 16) Interest income

103,094,501

147,875,326

Interest income represents income arising from lending activities and related transactions. Interest income comprise interest from:

- fixed income securities EUR 8,898,322 (2009: EUR 8,289,315)
- cash and balances at central banks EUR 1,350,477 (2009: EUR 2,694,299)
- parent bank and affiliated banks EUR 7,807,195 (2009: EUR 10,829,677).

### Geographical concentration:

	2010	%	2009	%
Russia	33,426,569	32.4	78,426,207	53.0
Other CIS countries	22,066,255	21.4	5,737,235	3.9
EMU countries	35,770,705	34.7	37,334,100	25.2
Other European countries	3,044,344	3.0	4,564,429	3.1
Other countries	8,786,628	8.5	21,813,355	14.8
<b>Total</b>	<b>103,094,501</b>	<b>100.0</b>	<b>147,875,326</b>	<b>100.0</b>

2010

2009

## 17) Interest expense

70,240,657

120,918,426

Interest expense represents all cost related to the borrowing of funds and related transactions.

EUR 16,292,858 (2009: EUR 21,592,762) of the interest expense is attributable to the parent bank and affiliated entities.

### Geographical concentration:

	2010	%	2009	%
Russia	13,510,841	19.2	16,750,278	13.9
Other CIS countries	29,248	0.0	15,285	0.0
EMU countries	52,733,286	75.2	101,716,579	84.0
Other European countries	169,475	0.2	75,865	0.1
Other countries	3,797,807	5.4	2,360,419	2.0
<b>Total</b>	<b>70,240,657</b>	<b>100.0</b>	<b>120,918,426</b>	<b>100.0</b>

2010

2009

## 18) Net commission

4,236,076

3,577,695

Commission comprise income from fees received in respect of banking services supplied to third parties, insofar as they are not in the nature of interest and expenses paid in respect of fees for banking services supplied by third parties. Banking services relate largely to money transfer activities.

	2010	%	2009	%
Trade finance fees	4,123,916	80.5	3,519,213	78.4
Money transfer fees	422,864	8.2	433,381	9.7
Other fees	581,527	11.3	532,183	11.9
<b>Total</b>	<b>4,236,076</b>	<b>100.0</b>	<b>3,577,695</b>	<b>100.0</b>

# Consolidated Profit and Loss Account 2010

(in euro)

	2010	2009
<b>19) Result on financial transactions</b>	-93,884	500,667
Result on financial transactions comprise:		
Foreign exchange results on client transactions	738,734	338,588
Other Foreign exchange results	-832,618	162,079
<b>Total</b>	<b>-93,884</b>	<b>500,667</b>
<b>20) Other income</b>	<b>1,339,034</b>	<b>1,058,642</b>
Results on other income comprise mainly VAT return payments.		
<b>21) Administrative expenses</b>	<b>21,119,683</b>	<b>28,079,301</b>
Administrative expenses comprise:		
Staff cost	12,844,374	12,983,891
Other administrative cost	8,275,309	15,095,410
<b>Total</b>	<b>21,119,683</b>	<b>28,079,301</b>
Staff cost comprise:		
- Wages and salaries	9,710,801	10,535,543
- Pension cost	919,716	781,703
- Other social cost	394,848	398,194
- Other staff cost	1,819,009	1,268,451
<b>Total Staff cost</b>	<b>12,844,374</b>	<b>12,983,891</b>
Other administrative cost comprise:		
- Housing	1,172,694	1,198,895
- IT	1,331,759	1,567,322
- Travel	153,145	197,153
- Communication	300,394	366,718
- Public relations	253,666	322,733
- Professional services	2,331,744	7,365,832
- Foreign taxes	1,254,718	1,351,617
- Other cost	1,477,189	2,725,140
<b>Total Other administrative cost</b>	<b>8,275,309</b>	<b>15,095,410</b>

### Staff cost

Included in Staff cost is the remuneration of the Board of Managing Directors and Supervisory Board. Pension obligations are insured with an insurance company. The pension scheme is a defined-contribution plan, hence the Bank pays a certain percentage of annual gross salaries and runs no financial and actuarial risk on pension investments on behalf of staff.

As at December 31st, 2010, the total number of employees expressed in full-time equivalents was 98 (2009: 92).

# Consolidated Profit and Loss Account 2010

(in euro)

## Other administrative cost

In 2009 Professional services comprised a charge of EUR 3.8 million relating to the Bank's share in the bankruptcy of the Dutch DSB Bank N.V. under the Dutch depositary scheme and furthermore expenses for stationery, public relations services, product development and other general expenditure. In 2009 in accordance with RJ 121 of the Dutch Civil Code, capital goods in ATCAC have been impaired, resulting in a write-off of EUR 999,668, which is recognized under Other cost.

	2010	2009
<b>22) Depreciation</b>	982,867	3,235,366

In 2009, in accordance with RJ 121 of the Dutch Civil Code, Property and equipment in the Bank has been impaired, resulting in an additional depreciation of EUR 2,165,553.

In 2009 the method for depreciation of Property and equipment has been aligned with fiscal accounting principles. This resulted in a lower depreciation of EUR 956,457, after which the depreciation cost for 2009 were EUR 1,069,813.

	2010	2009
<b>23) Value adjustment to receivables</b>	5,037,051	-13,213,252

Value adjustment to receivables relates to additions to and releases from provisions for bad debts, country risk and securities.

Release from provisions	-4,872,525	-35,927,283
Addition to provisions	9,909,576	22,714,031

Total value adjustment to receivables	5,037,051	-13,213,252
---------------------------------------	-----------	-------------

The addition in 2010 relates to 3 clients (2009: 6).

## Taxation

Taxes are calculated on the result before taxation, based on the applicable profit tax rate.

The statutory applicable corporate tax rate for 2010 in the Netherlands is 25.5% (2009: 25.5%) and in Russia is 20% (2009: 20%).

As the interest expenses incurred by ATB Leasing are not completely tax deductible, the effective tax rate for ATB Leasing is higher than the statutory tax rate, leading to an overall effective tax rate of 27,1% (2009: 44,1%).

Corporate  
Financial  
Statements  
2010



**Amsterdam Trade Bank**  
Member of Alfa • Bank Group

# Amsterdam Trade Bank N.V. Corporate Balance Sheet

as at December 31st, 2010  
Before appropriation of profit  
(in euro)

## Assets

Cash and balances at central banks	328,747,504	354,182,364
Banks	884,682,916	906,844,174
Loans and advances	834,869,242	1,007,009,795
Interest-bearing securities	347,677,997	301,551,798
Participating interests	25,812,329	20,390,031
Property and equipment	4,117,151	3,308,463
Prepayments and accrued income	40,251,820	35,224,254

Total assets	2,466,158,959	2,628,510,879
--------------	---------------	---------------

## Liabilities

Banks	49,530,831	77,003,778
Funds entrusted	2,058,684,347	2,185,339,143
Accruals and deferred income	27,381,025	43,769,516
Fund for general banking risks	1,591,603	1,591,603
Subordinated liabilities	90,000,000	90,000,000
Shareholder's equity:		
- Paid-in and called-up capital	117,343,424	117,343,424
- Share premium	4,317,803	4,317,803
- Retained earnings	109,143,211	101,319,964
- Revaluation reserve	2,400	2,400
- Net profit	8,164,315	7,823,248
Total shareholder's equity	238,971,153	230,806,839

Total liabilities and shareholder's equity	2,466,158,959	2,628,510,879
--	---------------	---------------

## Contingent liabilities pursuant to:

Guarantees	71,909,268	66,712,309
Irrevocable credit facilities	70,968,331	7,386,075

Amsterdam Trade Bank  
N.V. Corporate Profit  
and Loss account 2010

		2010	2009
<b>Income</b>			
Interest income	97,503,851		144,894,496
Interest expense	70,246,627		120,918,426
Net interest		27,257,224	23,976,070
Commission income	5,128,307		4,484,777
Commission expense	892,231		907,082
Net commission		4,236,076	3,577,695
Result on financial transactions		1,221,505	1,538,341
Other income		1,252,008	1,058,642
Total income		33,966,813	30,150,748
<b>Expense</b>			
Staff cost		12,704,210	12,857,073
Other administrative cost		6,060,004	11,644,712
Depreciation		979,890	3,230,302
Value adjustment to receivables		5,036,490	-13,249,006
Total expense		24,780,594	14,483,081
Operating result before tax		9,186,219	15,667,667
Taxation		2,165,493	3,728,197
Result subsidiaries		1,143,589	-4,116,222
<b>Net profit</b>		<b>8,164,315</b>	<b>7,823,248</b>

# Notes to the Corporate Financial Statements

as at December 31st, 2010  
(in euro)

## OVERVIEW OF AMSTERDAM TRADE BANK N.V.

### Activities

Amsterdam Trade Bank N.V. ('the Bank'), with its statutory residence at Herengracht 475, Amsterdam in the Netherlands, was incorporated in October 1994 as a Dutch credit institution under the supervision of De Nederlandsche Bank N.V. (DNB, the Dutch Central Bank). The Bank received a full banking license in November 1994. In March 2001 the Bank became a fully owned subsidiary of the OAO Alfa Bank, Moscow.

The Bank's core business activities are providing loans and advances to companies in Russia, CIS and Eastern Europe and providing Saving & Deposits facilities to private customers in the Netherlands and Germany. The Bank has its own representative offices in Almaty and Moscow.

The Bank's financial statements have been prepared in conformity with section 14, "Provisions for banks", of Book 2, Title 9 of the Netherlands Civil Code with the allowed application of the accounting policies (DGAAP) as also applied in the consolidated annual accounts.

The principles of valuation and determination of results stated in connection with the consolidated balance sheet and consolidated profit and loss account are also applicable to the corporate balance sheet and corporate profit and loss account.

### Reference to the consolidated financial statements

As mentioned above, the accounting policies applied in the corporate annual accounts correspond with those of the consolidated annual accounts and furthermore the consolidated entities, ATB Leasing and Amsterdam Trade Capital Administration Corporation only comprise a small part of the total amounts. Accordingly the notes to the balance sheet and profit and loss account are almost similar in both the corporate annual financial statements and the consolidated annual financial statements.

### Participating interests

In the corporate balance sheet the following participating interests are included:

- SWIFT, details can be found in the Notes to the consolidated financial statements.
- ATB Leasing LLC, a subsidiary for leasing activities in Moscow, that was set up in November 2007. ATB Leasing started its activities in 2008 and the results have been consolidated.  
The paid-in capital of ATB Leasing amounts to EUR 28,708,924 (2009: EUR 25,301,615). In 2010 and 2009 the Bank paid additional capital to an amount of EUR 3,500,000 (2010) and EUR 25,208,924 (2009). The Bank holds 111 (2009: 111) shares of ATB Leasing. The profit regarding 2010 has been recorded as an addition on the participating interest in ATB Leasing, the loss regarding 2009 has been recorded as a deduction of the participating interest in ATB Leasing.
- ATCAC (Amsterdam Trade Capital Administration Corporation B.V.)  
The Bank holds 4 shares (2009: 4) of ATCAC.  
Due to losses from 2010 and previous years, ATCAC has a negative equity, which is recorded as a deduction on the loan to ATCAC.
- ATC (Amsterdam Trade Company B.V.)  
ATC was incorporated in 2009 and liquidated in 2010.

The shares of ATCAC and ATB Leasing represent 100% of the outstanding shares.

# Notes to the Corporate Financial Statements

as at December 31st, 2010  
(in euro)

## Statement of changes in the Participating interests

Balance as at December 31st, 2008	20,280
Result previous years	-4,891,652
Addition in capital	25,265,604
FX translation reserve	-4,201
Balance as at December 31st, 2009	20,390,031
Result 2010	1,934,998
Addition in capital	3,482,000
FX translation reserve	5,300
Balance as at December 31st, 2010	25,812,329

External auditor's cost			
	KPMG Accountants NV	Other KPMG	Total KPMG
<b>2010</b>			
Audit services 2010	280,000	105,660	385,660
Audit-related services			-
Tax advice services		122,853	122,853
Other non-audit services		4,550	4,550
Total	280,000	233,063	513,063
<b>2009</b>			
Audit services 2009	553,349		553,349
Audit services 2008	342,194	56,470	398,664
Audit-related services	80,865		80,865
Tax advice services		340,962	340,962
Other non-audit services			-
Total	976,408	397,432	1,373,840

## Remuneration of Supervisory Board and Board of Managing Directors

Remuneration (including pension cost and bonuses) of the members of the Board of Managing Directors during the period amounts to EUR 1,746,354 (2009: EUR 5,640,597). The 2010 amount included a severance compensation to an amount of EUR 0.1 million (2009: EUR 3.1 million, including tax charges).

Remuneration of the Supervisory Board amounts to EUR 283,750 (2009: EUR 297,083).

Other  
Information



**Amsterdam Trade Bank**  
Member of Alfa Bank Group

#### Subsequent events

The Bank has filed an appeal with the Dutch tax authorities in relation to the corporate income tax assessments for the years 2007 up until 2009. In the appeal the Bank claimed that the taxable income for these years should be lowered. In March 2011, the Bank agreed with the Dutch tax authorities that a combined tax deduction is allowed amounting to EUR 60 million on the taxable income for these years. The positive impact on corporate income tax amounts to approximately EUR 15 million.

#### Appropriation of result

Pursuant to article 33, paragraph 1 of the Articles of Association, the Bank's profit is at the disposal of the General Meeting of Shareholders.

It is proposed to allocate the net profit in the following way, pay out a dividend of EUR 8,000,000 and add the remaining part of EUR 164,315 to Retained earnings.

Article 33 paragraph 2 of the Articles of Association states that dividends can only be made available to the extent that shareholders' equity exceeds the amount of paid-in and called-up capital and legal reserves.

Amsterdam, April 1, 2011

#### Board of Managing Directors:

M. Czurda, CEO  
H.W. te Beest, CFO  
J.H.F. Umbgrove, CRO

#### Supervisory Board:

J. Jonach, Chairman  
A.V. Drovossekov  
R.D. James  
K.A. de Jong  
P. Nazariyan  
A. van 't Veer

### **Independent auditor's report**

To: the Board of Managing Directors of Amsterdam Trade Bank N.V.

#### **Report on the financial statements**

We have audited the accompanying financial statements 2010 of Amsterdam Trade Bank N.V., Amsterdam, which comprise the consolidated and corporate balance sheet as at December 31, 2010, the consolidated and corporate profit and loss account for the year then ended and the notes comprising a summary of the accounting policies and other explanatory information.

#### **Board of Managing Directors responsibility**

The Board of Managing Directors is responsible for the preparation and fair presentation of the financial statements and for the preparation of the Report of the Board of Managing Directors, both in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, the Board of Managing Directors is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires 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 the Board of Managing Directors, 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 give a true and fair view of the financial position of Amsterdam Trade Bank N.V. as at December 31, 2010 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Netherlands Civil Code.

#### **Report on other legal and regulatory requirements**

Pursuant to the legal requirements under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the Report of the Board of Managing Directors, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and if the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report that the Report of the Board of Managing Directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Amstelveen, April 1, 2011

KPMG ACCOUNTANTS N.V.

N.R. Tambach RA



Amsterdam Trade Bank N.V.  
Herengracht 475  
1017 BS Amsterdam  
The Netherlands  
Phone +31 (0)20 5 209 209  
Fax +31 (0)20 5 209 219  
[info@atbank.nl](mailto:info@atbank.nl)  
[www.atbank.nl](http://www.atbank.nl)  
Chamber of Commerce  
Amsterdam 33260432

