



NOT-FOR-PROFIT PARTNERSHIP
“THE NATIONAL DEPOSITORY
CENTER”

Financial Statements
For the Year Ended 31 December 2008



НАЦИОНАЛЬНЫЙ ДЕПОЗИТАРНЫЙ ЦЕНТР
The National Depository Center

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STATEMENT OF MANAGEMENT'S RESPONSIBILITIES FOR THE PREPARATION AND APPROVAL OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

The following statement, which should be read in conjunction with the independent auditors' responsibilities stated in the independent auditor's report set out on pages 2-3, is made with a view to distinguishing the respective responsibilities of management and those of the independent auditors in relation to the financial statements of Not-for-profit Partnership "The National Depository Center" (the "Partnership").

Management is responsible for the preparation of the financial statements that present fairly the financial position of the Partnership as at 31 December 2008, the results of its operations, cash flows and changes in equity for the year then ended, in accordance with International Financial Reporting Standards ("IFRS").

In preparing the financial statements, management is responsible for:

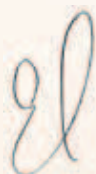
- Selecting suitable accounting principles and applying them consistently;
- Making judgments and estimates that are reasonable and prudent;
- Stating whether IFRS have been followed, subject to any material departures disclosed and explained in the notes to financial statements; and
- Preparing the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

Management is also responsible for:

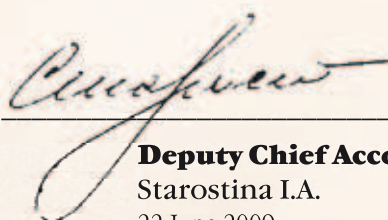
- Designing, implementing and maintaining an effective and sound system of internal controls, throughout the Partnership;
- Maintaining proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Partnership, and which enable them to ensure that the financial statements of the Bank comply with IFRS;
- Maintaining statutory accounting records in compliance with legislation and accounting standards of the Russian Federation;
- Taking such steps as are reasonably available to them to safeguard the assets of the Partnership; and
- Detecting and preventing fraud, errors and other irregularities.

The financial statements for the year ended 31 December 2008 were authorized for issue on 22 June 2009 by the Director of the Partnership.

On behalf of the Partnership:



Director
Egorov N.V.
22 June 2009
Moscow



Deputy Chief Accountant
Starostina I.A.
22 June 2009
Moscow



INDEPENDENT AUDITORS’ REPORT

To the Participants of Not-for-profit Partnership “The National Depository Center”:

Report on the financial statements

We have audited the accompanying financial statements of Not-for-profit Partnership “The National Depository Center” (the “Partnership”), which comprise the balance sheet as at 31 December 2008, the income statement, the statements of changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

We have not audited the financial statements of CJSC “Depository Clearing Company”, which is an associated company of the Partnership and is recognized at the Partnership’s balance sheet as at 31 December 2008 in the amount of RUB 417,294 thousand; income from investments in this company recognized in the income statement of the Partnership for the year ended 31 December 2008 amounted to RUB 18,614 thousand. The financial statements of CJSC “Depository Clearing Company” were audited by another auditor whose independent auditors’ report was furnished to us. Our report with regard to the results of this company included in the financial statements of the Partnership is solely based on the report of this auditing company.

Management’s Responsibility for the Financial Statements

Management of the Partnership is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances..

Auditor’s Responsibility

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

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

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Opinion

In our opinion, based on our audit and the report of another auditor, the financial statements present fairly, in all material respects the financial position of the Partnership as at 31 December 2008, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Deloitte.

22 June 2009
Moscow

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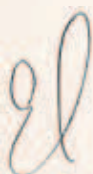


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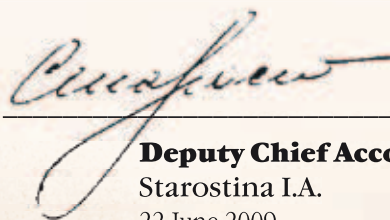
BALANCE SHEET AS AT 31 DECEMBER 2008
(in thousands of Russian rubles)

	Notes	31 December 2008	31 December 2007
SHORT-TERM ASSETS			
Cash and cash equivalents	4,20	884,034	897,413
Due from banks	5	1,075,010	1,049,660
Trade and other receivables	6,20	168,221	165,448
Current income tax expense		27,985	29,468
TOTAL SHORT-TERM ASSETS		2,155,250	2,141,989
LONG-TERM ASSETS			
Securities available-for-sale	7	4,700	4,700
Investments in associates	7,20	525,226	129,154
Property, plant and equipment	8	49,532	39,738
Intangible assets	8	67,998	75,078
TOTAL LONG-TERM ASSETS		647,456	248,670
TOTAL ASSETS		2,802,706	2,390,659
SHORT-TERM LIABILITIES			
Income on securities payable to depositors	9	841,942	841,045
Trade and other payables	10,20	170,621	163,963
Redeemable contributions of participants	11,20	62,280	62,280
TOTAL SHORT-TERM LIABILITIES		1,074,843	1,067,288
LONG-TERM LIABILITIES			
Deferred income tax liabilities	15	16,633	14,032
TOTAL LONG-TERM LIABILITIES		16,633	14,032
TOTAL LIABILITIES		1,091,476	1,081,320
EQUITY			
Retained earnings	12	1,711,230	1,309,339
TOTAL EQUITY		1,711,230	1,309,339
TOTAL LIABILITIES AND EQUITY		2,802,706	2,390,659

On behalf of the Partnership:



Director
Egorov N.V.
22 June 2009
Moscow



Deputy Chief Accountant
Starostina I.A.
22 June 2009
Moscow

The notes on pages 10–32 form an integral part of these financial statements.



NOT-FOR-PROFIT PARTNERSHIP "THE NATIONAL DEPOSITORY CENTER"

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008
(in thousands of Russian rubles)

	Notes	Year ended 31 December 2008	Year ended 31 December 2007
Commission income on depository services	20	1,204,559	1,161,801
Interest income on financial assets at amortized cost	13	80,778	60,040
Other operating income		1,933	1,565
Operating income		1,287,270	1,223,406
Operating expenses	14,20	(756,482)	(708,590)
Net losses on foreign exchange operations		(545)	(1,597)
Profit from operating activities		530,243	513,219
Share of profit attributable to associates	7,20	20,668	23,930
Profit before tax		550,911	537,149
Income tax expense	15	(149,020)	(144,035)
Net profit		401,891	393,114

On behalf of the Partnership:

Director
Egorov N.V.
22 June 2009
Moscow

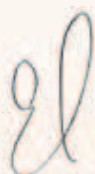
Deputy Chief Accountant
Starostina I.A.
22 June 2009
Moscow

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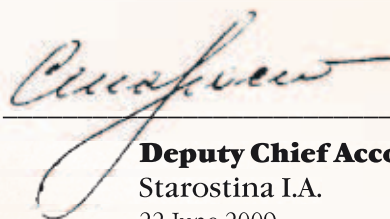
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2008
(in thousands of Russian rubles)

	Retained earnings	Total equity
Balance at 31 December 2006	916,225	916,225
Profit for the year	393,114	393,114
Balance at 31 December 2007	1,309,339	1,309,339
Profit for the year	401,891	401,891
Balance at 31 December 2008	1,711,230	1,711,230

On behalf of the Partnership:



Director
Egorov N.V.
22 June 2009
Moscow



Deputy Chief Accountant
Starostina I.A.
22 June 2009
Moscow

The notes on pages 10–32 form an integral part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2008
(in thousands of Russian rubles)

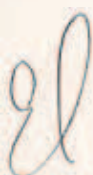
	Notes	Year ended 31 December 2008	Year ended 31 December 2007
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		550,911	537,149
Adjustments for:			
Accrued commission income on depository services		(2,704)	(12,352)
Accrued interest income		(3,350)	(4,371)
Profit of associates		(20,668)	(23,930)
(Recovery of provision)/provision for doubtful debt		(277)	121
Unrealized (gain)/loss on foreign exchange operations		(4,836)	971
Accrued administrative and other operating expenses		5,441	5,711
Depreciation and loss on disposal of fixed and intangible assets		23,855	12,118
Cash flows from operating activities before changes in operating assets and liabilities		548,372	515,417
Changes in operating assets and liabilities			
Net increase of amounts due from banks		(22,000)	(318,000)
Net decrease of trade and other receivables		5,022	4,160
Net increase of trade and other payables		1,217	38,647
Net increase of gain on securities payable to depositors		897	642,811
Cash inflow from operating activities before income tax		533,508	883,035
Income tax paid		(144,936)	(164,749)
Net cash inflow from operating activities		388,572	718,286

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008
(in thousands of Russian rubles)

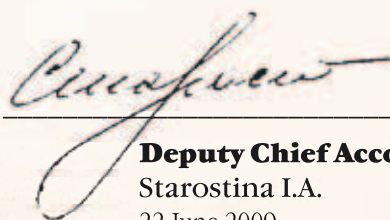
	Notes	Year ended 31 December 2008	Year ended 31 December 2007
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed and intangible assets		(27,076)	(66,071)
Proceeds on sale of fixed and intangible assets		507	893
Acquisition of associates		(375,652)	—
Dividends received from associates		248	129
Net cash used in investing activities		(401,973)	(65,049)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redeemable contributions of participants		—	250
Net cash from financing activities		—	250
Effect of exchange rate changes on cash and cash equivalents		22	(46)
Net (decrease)/increase in cash and cash equivalents		(13,379)	653,441
Cash and cash equivalents as at the beginning of year		897,413	243,972
Cash and cash equivalents as at the end of year	4	884,034	897,413

Interest received by the Partnership during the years ended 31 December 2008 and 2007 amounted to RUB 77,428 1,508,306 thousand and RUB 55,669 55.669 thousand, respectively.

On behalf of the Partnership:



Director
Egorov N.V.
22 June 2009
Moscow



Deputy Chief Accountant
Starostina I.A.
22 June 2009
Moscow

The notes on pages 10–32 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. ORGANIZATION

Not-for-Profit Partnership “The National Depository Center” (the “Partnership” or “NDC”) is a not-for-profit partnership operating in the Russian Federation since 1997. The primary business of the Partnership is depository and clearing operations. The Partnership holds a license for depository operations issued by the Federal Commission for the Securities Market on 4 December 2000 and a license for clearing operations issued by the Federal Commission for the Securities Market on 4 December 2000.

As of 31 December 2008 the Partnership had representative offices in Saint-Petersburg and Novosibirsk.

The registered office of the Partnership is located at: 1/13 Sredniy Kislovsky Per., bld. 4, Moscow, 125009, Russia

The Partnership holds shares in CJSC “Depository Clearing Company” and CJSC “Settlement Depository Company”, exercising significant influence on their operations and using the equity method to account for their financial results in the financial statements:

Name	Country of operation	Ownership interest/voting rights, %		Type of operation
		2008	2007	
CJSC “Depository Clearing Company”	Russian Federation	37,29	36,96	Depository services
CJSC “Settlement Depository Company”	Russian Federation	28,54	29,00	Depository services

Founders of the Partnership are Closed Joint Stock Company “Moscow Interbank Currency Exchange” (“MICEX”) and the Central Bank of the Russian Federation (“CBRF”), holding 46.66% and 39.34% of the Partnership’s equity, respectively, and 50.17% and 42.3% of the total number of votes. The number of votes held by a participant of the Partnership during decision-making at the General Meeting of the Partnership’s Participants depends on the amount of their contributions made (for founders – founding contributions).

These financial statements were authorized for issue by the Director of the Partnership on 22 June 2009.

2. BASIS OF PRESENTATION

Accounting basis

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).



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These financial statements are presented in thousands of Russian Rubles (“RUB thousand”), unless otherwise indicated. These financial statements have been prepared under the historical cost convention, except for the measurement of certain assets in accordance with International Accounting Standard No. 29 “Financial Reporting in Hyperinflationary Economies” (“IAS 29”).

In accordance with IAS 29 the economy of the Russian Federation was considered to be hyperinflationary during 2002 and prior years. Since 1 January 2003, the economy of the Russian Federation ceased to be hyperinflationary and the costs of the non-monetary assets, liabilities and equity as stated in measuring units as at 31 December 2002 was used to form the beginning balances as at 1 January 2003.

The Partnership maintains its accounting records in accordance with Russian law. These financial statements have been prepared from the Russian statutory accounting records and have been adjusted to conform with IFRS. Entered adjustments include certain reclassifications to reflect the economic substance of underlying transactions including reclassifications of certain assets and liabilities, income and expenses to appropriate financial statement captions.

Key assumptions

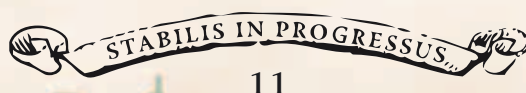
The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Therefore, actual results could differ from those estimates and assumptions. Estimates that are particularly susceptible to change relate to the provisions for impairment losses.

Key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period include:

	31 December 2008 (RUB ‘000)	31 December 2007 (RUB ‘000)
Cash and cash equivalents	884,034	897,413
Due from banks	1,075,010	1,049,660
Trade and other receivables	168,221	165,448
Investments in associates	525,226	129,154

Cash and cash equivalents, due from banks, and trade and other receivables are measured at amortized cost less allowance for impairment losses. The estimation of provision for impairment losses involves an exercise of judgment. The Partnership assesses the allowance for impairment losses to maintain the allowance on the level which the Partnership’s management considers sufficient to cover potential losses on the Partnership’s accounts receivable. The calculation of the allowance for impairment losses is based on the probability that the asset will be written off and the estimate of losses from such write-off. Such estimates are made by using statistical methods and are based on historical information and judgments made by the Partnership’s management.

Goodwill related to an associate is included in the carrying value of the investment. The carrying value of the investment is tested for impairment in full by comparing its recoverable amount (the



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higher of the value in use and the fair value less costs to sell) and its carrying value in all the cases when the application of IAS 39 identifies indicators of impairment.

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The estimation of probability is based on management's estimates of future taxable profit and is supplemented by management's judgment. Taxation is discussed in Notes 15 and 18..

Functional currency

The functional currency of the financial statements is the Russian Rouble.

3. SIGNIFICANT ACCOUNTING POLICIES

Key valuation techniques

Financial assets and liabilities are stated at cost, fair value or amortized cost, depending on their classification. Summary of these valuation techniques is provided below.

Cost is the amount of cash or cash equivalents paid or the fair value of other resources given to acquire an asset at the time of its acquisition and includes transaction costs. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial instrument. Incremental costs are the costs that would not have been incurred if the transaction had not been made.

Fair value is the amount for which an asset could be exchanged or a liability could be settled between knowledgeable willing parties in an arm's length transaction.

Amortized cost is the amount at which the financial instrument was measured at initial recognition, less principal repayments, plus interest accruals, and for financial assets less any impairment losses. Accrued interest includes amortization of transaction costs deferred at initial recognition and any premiums or discount to maturity using the effective interest method. Accrued interest income and accrued interest expenses are not presented separately and included in the carrying amounts of the assets and liabilities.

The effective interest method is the method of allocating interest income or interest expense over the relevant period so as to achieve a constant interest rate (effective interest rate) on the carrying amount. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts (excluding future losses) through the expected life of the financial instrument or, if appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. The effective interest rate is used to discount cash flows from instruments with floating interest rates until the next repricing date, excluding the premium or discount which reflects the credit spread on the floating interest rate indicated for this instrument, or on other variables which are not dependent on the market conditions. Such premiums or discounts are amortized during the useful life of the instrument. The present value calculation includes all commissions and fees paid or received by parties to the contract and are an integral part of the effective interest rate.



Recognition and measurement of financial instruments

The Partnership recognizes financial assets and liabilities on its balance sheet when it becomes a party to the contractual obligation of the instrument. Regular way purchase and sale of the financial assets and liabilities are recognized using settlement date accounting.

Financial assets and liabilities are initially recognized at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to acquisition or issue of the financial asset or financial liability. The accounting policies for subsequent re-measurement of these items and measurement of non-financial assets and liabilities are disclosed in the respective accounting policies set out below.

Cash and cash equivalents

Cash and cash equivalents are items that can be converted into cash within a day. Cash and cash equivalents are carried at cost (cash on hand) and at amortized cost (current bank accounts).

Due from banks

Due from banks are recognized when the Partnership places cash with counterparty banks on deposits repayable at a fixed or determinable date, while the Partnership does not intend to trade in these placements, which are not financial instruments and are not quoted on the market. Due from banks are measured at amortized cost net of any allowance for impairment.

Trade and other receivables

Trade and other receivables are stated at amortized cost. The Partnership provides for impairment losses, if there is objective evidence that it will not be able to collect the whole amount on the original terms of the contracts.

Allowance for impairment

The Partnership accounts for impairment of financial assets not recorded at fair value when there is an objective evidence of impairment of a financial asset or a group of financial assets. The impairment of financial assets represents a difference between the carrying value of the asset and current value of estimated future cash flows including amounts which can be received on guarantees and security discounted using an initial effective interest rate on financial assets recorded at amortized value. If in a subsequent period the impairment amount decreases and such a decrease can be objectively associated with an event occurring after recognition of the impairment then the previously recognized impairment loss is reversed with an adjustment of the provision account.

For the financial instruments recorded at cost the impairment represents the difference between the carrying value of the financial asset and current value of the estimated future cash flows discounted using the current market interest rate for a similar financial instrument. Such impairment losses are not reversed.

The impairment is calculated based on the analysis of assets subject to risks and reflects the amount sufficient, in the opinion of management, to cover relevant losses. The provisions are created as a result of an individual evaluation of assets subject to risks regarding financial assets

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being material individually and on the basis of an individual or joint evaluation of financial assets not being material individually.

The change in the impairment is included into profits using the provision account (financial assets recorded at amortized value) or by a direct write-off (financial assets recorded at cost). The assets recorded in the balance sheet are reduced by the amount of the impairment. The factors the Partnership evaluates in determining the presence of objective evidence of occurrence of an impairment loss include information on liquidity of the debtor or issuer, their solvency, business risks and financial risks, levels and tendencies of default on obligations on similar financial assets, national and local economic tendencies and conditions, and fair value of the security and guarantees. These and other factors individually or in the aggregate represent, to a great extent, an objective evidence of recognition of the impairment loss on the financial asset or group of financial assets.

It should be noted that the evaluation of losses includes a subjective factor. The management of the Partnership believes that the amount of recorded impairment is sufficient to cover losses incurred on assets subject to risks at the reporting date, although it is not improbable that in certain periods the Partnership can incur losses greater compared to recorded impairment.

Securities available-for-sale

Securities available-for-sale represent equity investments that are intended to be held for an indefinite period of time. Such securities are initially and subsequently stated at fair value. Unquoted shares are stated at acquisition cost less impairment losses, if any, unless their fair value can be reliably measured.

Investments in associates

Associates are enterprises on the financial and operating activities of which the Partnership exercises significant influence and which are neither subsidiaries nor joint ventures.

The financial statements of associates are included into these financial statements on the basis of equity method.

Investments in associates are carried in the balance sheet at acquisition cost which includes goodwill arising on the acquisition as adjusted by post-acquisition change in the Partnership's share of the net assets of the associate, less any impairment.

Goodwill represents the excess of the cost of acquisition over the Partnership's share in the fair value of the identified assets, liabilities and contingent liabilities of associates at the acquisition date. Goodwill is included in the cost of investments and assessed for impairment as part of investments on an annual basis.

When the Partnership enters into transactions with the associate of the Partnership, profits and losses are not eliminated to the extent of the Partnership's share in the relevant associate.



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Property, plant and equipment

Property, plant and equipment include office and computer equipment. Property, plant and equipment acquired after 1 January 2003 are carried at historical cost less accumulated depreciation and any recognized impairment loss, if any. Property, plant and equipment acquired before 1 January 2003 are carried at historical cost restated for inflation less accumulated depreciation and any recognized impairment loss, if any.

Profit and loss on disposal of property, plant and equipment are determined by comparing proceeds and carrying amount of the asset on disposal, and are shown in the income statement.

Property, plant and equipment are depreciated on a straight line basis, i.e. evenly over the 10 years of the asset's useful life. Depreciation on assets under construction and those not placed in service commences from the date the assets are ready for their intended use.

The carrying amounts of property, plant and equipment are reviewed at each balance sheet date to assess whether they are recorded in excess of their recoverable amounts.

The recoverable value of the asset is an estimated amount that the Partnership would currently obtain from disposal of the asset less estimated disposal costs, if the asset were already of the age and in

the condition expected at the end of its useful life. The residual value of an asset is equal to zero if the Partnership intends to use the asset until the end of their useful life. Residual values of assets and their useful lives are reviewed and adjusted at each balance sheet date, if necessary.

Impairment is recognized where carrying values exceed the estimated recoverable amount.

Intangible assets

The cost of intangible assets comprises costs incurred to acquire and bring an asset into working condition for its intended use. Subsequently, intangible assets are carried at cost, less accumulated amortization and any accumulated impairment loss. Intangible assets are amortized on the basis of straight line method during their useful economic lives. Useful life of intangible assets is 4-5 years. At each balance sheet date the Partnership assesses whether there is any indication of impairment.

If any such indication exists, the Partnership estimates the recoverable amount, which is determined as the higher of an asset's fair value less selling costs or its value in use.

Impairment is recognized where carrying values exceed the estimated recoverable amount.

Trade and other payables

Accounts payable are recognized at fair value.

NOT-FOR-PROFIT PARTNERSHIP "THE NATIONAL DEPOSITORY CENTER"

Redeemable contributions of participants

Participants of the Partnership may require return of their initial contributions into the Partnership, including in cash form in the amount of the initial contribution. The Partnership's obligation to return shares to its participants gives grounds for recognizing financial liability. Financial liability of the Partnership is recorded at the initial amount of contributions made by the participants and redeemable at their first request.

Income and expense recognition

Commission income on depository services is recorded on the accrual basis where income is recognized in the income statement upon rendering of services. Interest income, other income and expenses are recorded on the accrual basis.

Operating lease

When the Partnership acts as a lessee and risks and rewards of lease are not transferred by the lessor to the Partnership, total payments under operating lease agreements (including agreements that will expire in the near future) are recognized in the income statement using straight line amortization method during the lease term.

Taxation

Income tax expense represents the sum of the current and deferred tax expense.

The current tax expense is based on taxable profit for the year. Taxable profit differs from net profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Partnership's current tax expense is calculated using tax rates that have been enacted during the reporting period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Partnership is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying value of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.



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Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred income tax assets and deferred income tax liabilities are offset and reported net on the balance sheet if:

- The Partnership has a legally enforceable right to set off the current tax assets and current tax liabilities; and
- Deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

The Russian Federation has various other taxes, which are assessed on the Partnership's activities apart from income tax. These taxes are included as a component of operating expenses in the income statement.

Retirement benefit obligations

In accordance with the requirements of the Russian legislation, state pension system provides for the calculation of current payments by the employer as a percentage of current total payments to staff. This expense is charged in the period when the related salaries are earned. Upon retirement all retirement benefit payments are made by pension funds selected by employees. The Partnership does not have any pension arrangements separate from the state pension system of the Russian Federation. In addition, the Partnership has no post-retirement benefits or other significant compensated benefits requiring accrual.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into RUB at the appropriate spot rates of exchange ruling at the balance sheet date. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of transaction. Profits and losses arising from these translations are included in net gain on foreign exchange operations.

Exchange rate

The exchange rates used by the Partnership in the preparation of the financial statements as at year-end are as follows:

	31 December 2008	31 December 2007
RUB/USD	29,3804	24,5462

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Assets on depo accounts

The Partnership provides depository services to its customers that include storage and registration of securities and processing of transactions with securities on their depository accounts. Assets accepted and liabilities incurred under the fiduciary activities are not included in the Partnership's financial statements. The Partnership accepts the operational risk on these activities, but the Partnership's customers bear the credit and market risks associated with such operations.

Commission received from this type of operations is recognized as commission income on depository services.

Adoption of new standards

In the current year, the Partnership has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (the IFRIC) of the IASB that are relevant to its operations and effective for reporting periods beginning on 1 January 2008. The adoption of these new and revised Standards and Interpretations has not resulted in changes to the Partnership's accounting policies that have affected the amounts reported for the current or prior years.

4. CASH AND CASH EQUIVALENTS

	31 December 2008 (RUB '000)	31 December 2007 (RUB '000)
Current accounts	884,027	897,407
Cash on hand	7	6
Total cash and cash equivalents	884,034	897,413

As at 31 December 2008 and 2007 there was a high concentration of cash and cash equivalents with CJSC NKO MICEX Clearing House in the amount of RUB 780,003 thousand and RUB 779,550 thousand, respectively, which makes 88% and 87% of the current account's balances. Other current accounts were placed with Moscow-based banks.

As at 31 December 2008 the amount of RUB 841,942 thousand (as at 31 December 2007 – RUB 841,045 thousand) represents income of depositors transferred by the issuers of securities which are in storage and registered on depository accounts of the Partnership. The Partnership does not have a right to use these amounts in accordance with Federal Law dated 22 April 1996 No. 39-FZ “On the securities market”, as “where the depositor is provided with the services related to the payment of income on securities or other payments due to the owners of securities, depositors' monetary assets shall be stored on a separate bank account (accounts) opened by the depository with a credit institution (special depository account (accounts)). Depositors' cash held in a special depository account (accounts) may not be seized to cover the depository's obligations. A depository shall have no right to place its own funds on a special depository account (accounts), except for the payments due to the depositor, and shall have no right to use cash in depositors' account.”



5. DUE FROM BANKS

As at 31 December 2008 and 2007 amounts due from banks in the amount of RUB 1,075,010 thousand and RUB 1,049,660 thousand represent term deposits with Russian banks. As at 31 December 2008 and 2007 deposits are placed with three and six Moscow-based banks, respectively. As at 31 December 2008 and 2007 the effective interest rate on deposits ranges from 2.8% to 11.25% and from 5.85% to 8.25%, respectively. As at 31 December 2008 the deposited funds mature during the period of January 2009 – June 2009 (as at 31 December 2007: January 2008 – May 2008).

As at 31 December 2008 and 2007 the maximum credit risk exposure on due from banks amounted to RUB 1,075,010 thousand and RUB 1,049,660 thousand, respectively.

6. TRADE AND OTHER RECEIVABLES

	31 December 2008 (RUB '000)	31 December 2007 (RUB '000)
Financial assets:		
Receivables on depository services	109,891	107,187
Advances paid	26,579	22,177
Less provision for impairment losses	(791)	(303)
Total financial assets net of allowance for impairment losses	135,679	129,061
Non-financial assets:		
VAT receivable	21,016	21,693
Prepaid expenses	7,216	8,895
Other taxes receivable	2,873	4,278
Other accounts receivable	1,437	1,521
Total non-financial assets	32,542	36,387
Total trade and other receivables	168,221	165,448

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7. INVESTMENTS IN ASSOCIATES AND SECURITIES AVAILABLE-FOR-SALE

As at 31 December 2008 and 2007 investments in associates comprise investments in CJSC "Depository and Clearing Company" (the "CJSC DCC") and CJSC "Settlement Depository Company" (the "CJSC SDK"). Investments in associates were accounted for using equity method as follows:

	31 December 2008		31 December 2007	
	Ownership interest, %	Amount (RUB '000)	Ownership interest, %	Amount (RUB '000)
CJSC "Depository Clearing Company"	37.29%	417,294	36.96%	102,006
CJSC "Settlement Depository Company"	28.54%	107,932	29.00%	27,148
Total investments in associates		525,226		129,154

The carrying value of investments in associates as of 31 December 2008 and 2007 comprise:

	(RUB '000)
Investments in associates as at 31 December 2006	105,353
Partnership's share in CJSC DCC financial result after tax	21,158
Partnership's share in CJSC SDK financial result after tax	2,772
Dividends received by the Partnership from its associate CJSC SDK	(129)
Investments in associates as at 31 December 2007	129,154
Cost of additional shares of CJSC DCC	295,652
Cost of additional shares of CJSC SDK	80,000
Excess of the fair value of the share in net assets acquired over the cost of additional shares of DKK	1,022
Partnership's share in CJSC DCC financial result after tax	18,614
Partnership's share in CJSC SDK financial result after tax	1,032
Dividends received by the Partnership from its associate CJSC SDK	(248)
Investments in associates as at 31 December 2008	525,226

As at 31 December 2008 and 2007 and for the years then ended, respectively, assets, liabilities and profits of associates are presented below:

Name of associate	Total assets of associate	Total liabilities of associate	Revenue of associate	Profit of associate
2008				
CJSC "Depository and Clearing Company"	1,357,111	231,840	301,964	50,161
CJSC "Settlement Depository Company"	349,835	7,186	53,452	3,595
2007				
CJSC "Depository and Clearing Company"	791,057	508,763	305,911	57,251
CJSC "Settlement Depository Company"	63,188	3,488	42,215	9,557

As at 31 December 2008 and 2007 equity securities available-for-sale comprised shares of CJSC AKB National Clearing Centre totaling RUB 4,700 thousand. As at 31 December 2007 it makes less than 1% of the share capital of CJSC AKB National Clearing Centre. These shares are stated at cost.

8. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Office and computer equipment	Intangible assets
At initial/ indexed cost:		
As at 31 December 2006	59,148	106,795
Additions	12,753	53,318
Disposals	(3,070)	(66,179)
As at 31 December 2007	68,831	93,934
Additions	15,739	11,337
Disposals	(1,657)	(8,026)
As at 31 December 2008	82,913	97,245
Accumulated depreciation:		
As at 31 December 2006	26,408	77,779
Depreciation	4,434	6,534
Disposals	(1,749)	(65,457)
На 31 декабря 2007 года	29,093	18,856
Depreciation	5,107	17,189
Disposals	(819)	(6,798)
As at 31 December 2008	33,381	29,247
Net book value as of 31 December 2008	49,532	67,998
Net book value as of 31 December 2007	39,738	75,078

9. INCOME ON SECURITIES PAYABLE TO DEPOSITORS

As at 31 December 2008 and 2007 income on securities payable to depositors totaling RUB 841,942 thousand and RUB 841,045 thousand, respectively, comprises obligation of the Partnership to transfer income on corporate securities stored and recorded on depository accounts by the Partnership to its customers.

10. TRADE AND OTHER PAYABLES

	31 December 2007 (RUB'000)	31 December 2008 (RUB'000)
Trade payables	121,143	138,280
Taxes payable, other than income tax	36,772	9,061
Other accounts payable	12,706	16,622
Итого крTotal trade and other payables	170,621	163,963

As at 31 December 2008 and 2007 trade payables amounting to RUB 107,161 thousand and RUB 103,666 thousand, respectively, comprised advances received from customers on depository services.

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11. REDEEMABLE CONTRIBUTIONS OF PARTICIPANTS

As at 31 December 2008 and 2007 redeemable contributions of participants amounted to RUB 62,280 thousand. Participants of the Partnership have a right to request a cash payout of their initial contributions in cash. The contributions are redeemed in the amount of cash received from a participant at the date of their contribution. Thus, the Partnership is liable for repayment of contributions to the participants.

12. RETAINED EARNINGS

As per the Articles of Incorporation, retained earnings of the Partnership may be used only to create special funds designed to satisfy the Partnership's funding needs. No payments are made to the participants of the Partnership from retained earnings.

13. INTEREST INCOME ON FINANCIAL ASSETS AT AMORTIZED COST

	Year ended 31 December 2008 (RUB'000)	Year ended 31 December 2007 (RUB'000)
Due from banks	80,778	60,037
Other	—	3
Total interest income on financial assets at amortized cost	80,778	60,040

14. OPERATING EXPENSES

	Year ended 31 December 2008 (RUB'000)	Year ended 31 December 2007 (RUB'000)
Staff costs	374,661	313,897
Operating leases	134,412	106,705
Registration and depository services	119,630	184,275
Advertising and marketing services	30,964	28,248
Depreciation of fixed and intangible assets	22,296	10,968
Administrative expenses	21,023	19,961
Information, consulting and audit services	16,204	12,212
Services of regional stock exchanges	11,760	12,119
Business trip expenses	11,390	9,064
Other expenses	14,142	11,141
Total operating expenses	756,482	708,590

Staff costs for the years ended 31 December 2008 and 2007 include legally established contributions to social security and pension funds totaling RUB 29,098 thousand and RUB 25,110 thousand, respectively.



15. INCOME TAX

The Partnership provides for taxes based on the tax accounts maintained and prepared in accordance with the tax regulations of the Russian Federation and which may differ from International Financial Reporting Standards.

The Partnership is subject to certain permanent tax differences due to non-tax deductibility of certain expenses and tax-free regime under local tax regulations.

Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Temporary differences as of 31 December 2008 and 2007 relate mostly to different methods of income and expense recognition as well as to recorded values of certain assets.

The tax rate used for the 2008 and 2007 reconciliations above is the corporate tax rate of 24%.

In November 2008, an amendment to the Tax Code was enacted to reduce the corporate income tax rate from 24% to 20% effective from 1 January 2009. Current year Russian income tax is measured at 24% in 2008 and 2007 years of the estimated assessable profit for the year. As at 31 December 2008, deferred income tax was measured at the rate of 20%, as at 31 December 2007 – 24%.

Temporary differences as at 31 December 2008 and 2007 were as follows:

	31 December 2008 (RUB '000)	31 December 2007 (RUB '000)
Tax effect of deductible temporary differences		
Payable on other operations	2,012	3,166
Total amount of deferred tax asset	2,012	3,166
Tax effect of taxable temporary differences		
Investments in associates	(17,467)	(16,060)
Property, plant and equipment	(1,178)	(1,138)
Total amount of deferred tax liability	(18,645)	(17,198)
Net deferred tax liability	(16,633)	(14,032)

Relationships between tax expenses and accounting profit for the years ended 31 December 2008 and 2007 are explained below::

	Year ended 31 December 2008 (RUB'000)	Year ended 31 December 2007 (RUB'000)
Profit before tax	550,911	537,149
Tax at the statutory tax rate (24%)	132,219	128,916
Effect of tax rate, different from the prime rate of 24%	(520)	—
Tax effect of permanent differences from non-deductible expenses	17,321	15,119
Income tax expense for the year	149,020	144,035

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Income tax expense comprises:

	Year ended 31 December 2008 (RUB'000)	Year ended 31 December 2007 (RUB'000)
Current income tax expense	146,419	139,454
Deferred income tax expense	2,601	4,581
Income tax expense for the year	149,020	144,035

Deferred income tax liabilities	31 December 2008 (RUB'000)	31 December 2007 (RUB'000)
Beginning of the period	14,032	9,451
Increase of deferred income tax liability	2,601	4,581
End of the period	16,633	14,032

16. CAPITAL MANAGEMENT

The Partnership manages equity to ensure continuation of the Partnership's operations taking into account optimization of the risks undertaken, maintenance of necessary liquidity level and compliance with requirements on capital adequacy ratio of the professional securities market maker established by the Federal Service for Financial Markets.

In order to finance its current activities, the Partnership uses shareholders' equity. The Partnership did not use debt capital in 2008.

In accordance with the current legal status (a non-for-profit partnership) the Partnership does not distribute profit between partners but uses it to provide for its charter activities.

The Partnership's overall capital risk management policy remains unchanged from 2007.

17. FINANCIAL RISK MANAGEMENT

The Partnership's risk management function is carried out in respect of financial (credit, currency, liquidity and interest rate risks), operational and legal risks. The primary objective of financial risk management is to establish risk limits, and then ensure compliance with these limits. Management of operational and legal risks is intended to ensure proper functioning of internal policies and procedures to minimize operational and legal risks.

Credit risk – The Partnership is exposed credit risk, which is the risk that a counterparty will not be able to pay amounts in full when due.



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The Partnership's maximum exposure to credit risk is reflected in the carrying amount of receivables and cash in banks and may vary significantly depending on the individual risks inherent in specific assets and overall market risks. The Partnership has no assets and liabilities which may be offset, and the assets are not secured.

The Partnership performs analyses of the financial standing of counterparty banks and the maturity of loans on the basis of which impairment provision is created, if any.

As at 31 December 2008 and 2007 the Partnership had trade and other receivables overdue for the period of up to 45 days but not impaired in the amount RUB 2,850 thousand and RUB 2,854 thousand.

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

The following table details the credit ratings of unimpaired financial assets:

	A	BBB	<BBB	Not rated	Total at 31 December 2008
Cash and cash equivalents	20,789	81,885	—	781,360	884,034
Due from banks	—	1,075,010	—	—	1,075,010
Investments available-for-sale	—	—	—	4,700	4,700
Investments in associates	—	—	—	525,226	525,226

As at 31 December 2007:

	A	BBB	<BBB	Not rated	Total at 31 December 2007
Cash and cash equivalents	13,446	103,542	—	780,425	897,413
Due from banks	—	712,369	337,291	—	1,049,660
Investments available-for-sale	—	—	—	4,700	4,700
Investments in associates	—	—	—	129,154	129,154

Geographic risk – As of 31 December 2008 and 2007 all assets and liabilities of the Partnership were located in the Russian Federation. The Partnership operates only in the Russian Federation.

Liquidity risk – Liquidity risk is defined as the risk when the maturities of assets and liabilities do not match. As of 31 December 2008 the management assumes that the mismatch between assets' and liabilities' maturities carries immaterial liquidity risk. Nevertheless, certain balance sheet items have various maturities as of 31 December 2008. Maturity analysis of certain assets as at 31 December 2008 is shown in the following table:

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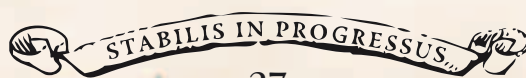
	Up to 1 month	1month to 3 months	3 months to 1 year	Maturity undefined	31 December 2008 Total (RUB '000)
ASSETS:					
Financial assets					
Cash and cash equivalents	884,034	—	—	—	884,034
Due from banks	195,223	112,920	766,867	—	1,075,010
Trade and other receivables	—	135,679	—	—	135,679
Securities available-for-sale	—	—	—	4,700	4,700
Investments in associates	—	—	—	525,226	525,226
Total financial assets	1,079,257	248,599	766,867	529,926	2,624,649
Non-financial assets					
Property, plant and equipment	—	—	—	49,532	49,532
Intangible assets	—	—	—	67,998	67,998
Trade and other receivables	—	32,542	—	—	32,542
Current income tax expense	—	27,985	—	—	27,985
Total non-financial assets	—	60,527	—	117,530	178,057
TOTAL ASSETS	1,079,257	309,126	766,867	647,456	2,802,706
LIABILITIES:					
Financial liabilities					
Income on securities payable to depositors	841,942	—	—	—	841,942
Redeemable contributions of participants	—	—	—	62,280	62,280
Total financial liabilities	841,942	—	—	62,280	904,222
Non-financial liabilities					
Trade and other payables	—	63,460	—	107,161	170,621
Deferred income tax liabilities	—	—	—	16,633	16,633
Total non-financial liabilities	—	63,460	—	123,794	187,254
TOTAL LIABILITIES	841,942	63,460	—	186,074	1,091,476
Liquidity gap	237,315	245,666	766,867	461,382	1,711,230
Cumulative liquidity gap	237,315	482,981	1,249,848	1,711,230	

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Classification of certain assets by maturities as of 31 December 2007 is shown in the following table:

	Up to 1 month	1 month to 3 months	3 months to 1 year	Maturity undefined	31 December 2007 Total (RUB '000)
ASSETS:					
Financial assets					
Cash and cash equivalents	897,413	—	—	—	897,413
Due from banks	528,385	225,119	296,156	—	1,049,660
Trade and other receivables	—	129,061	—	—	129,061
Securities available-for-sale	—	—	—	4,700	4,700
Investments in associates	—	—	—	129,154	129,154
Total financial assets	1,425,798	354,180	296,156	133,854	2,209,988
Non-financial assets					
Property, plant and equipment	—	—	—	39,738	39,738
Intangible assets	—	—	—	75,078	75,078
Trade and other receivables	—	36,387	—	—	36,387
Current income tax expense	—	29,468	—	—	29,468
Total non-financial assets	—	65,855	—	114,816	180,671
TOTAL ASSETS	1,425,798	420,035	296,156	248,670	2,390,659
LIABILITIES:					
Financial liabilities					
Income on securities payable to depositors	841,045	—	—	—	841,045
Redeemable contributions of participants	—	—	—	62,280	62,280
Total financial liabilities	841,045	—	—	62,280	903,325
Non-financial liabilities					
Trade and other payables	—	60,297	—	103,666	163,963
Deferred income tax liabilities	—	—	—	14,032	14,032
Total non-financial liabilities	—	60,297	—	117,698	177,995
TOTAL LIABILITIES	841,045	60,297	—	179,978	1,081,320
Liquidity gap	584,753	359,738	296,156	68,692	1,309,339
Cumulative liquidity gap	584,753	944,491	1,240,647	1,309,339	

Currency risk – Currency risk is defined as the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The foreign currency component of the Partnership's open position does not exceed 2% and, therefore, the Partnership is not exposed to substantial currency risk.



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Interest rate risk – Due to the special nature of its operations, the Partnership is not exposed to the effects of fluctuations in the prevailing levels of market interest rates on its financial and cash flows. The Partnership does not have interest bearing obligations. Interest rates on due from banks are usually set for a short period of time. The management of the Partnership controls the interest rate risk at the Partnership level.

18. COMMITMENTS AND CONTINGENCIES

Legal proceedings – From time to time and in the normal course of business, claims against the Partnership are received from customers and counterparties. Management is of the opinion that no material losses will be incurred and accordingly no provision has been made in these financial statements.

Taxation – Provisions of the Russian tax legislation are sometimes inconsistent and may have more than one interpretation, which allows the Russian tax authorities to take decisions based on their own arbitrary interpretation of these provisions. In practice, the Russian tax authorities often interpret the tax legislation not in favor of the taxpayers, who have to resort to court proceeding to defend their position against the tax authorities. It should be noted that the Russian tax authorities can use the clarifications issued by the judicial bodies that have introduced the concept of “unjustified tax benefit”, “primary commercial goal of transaction” and the criteria of “commercial purpose (substance) of transaction”.

Such uncertainty could, in particular, be attributed to tax treatment of financial instruments/ derivatives and determination of market price of transactions for transfer pricing purposes. It could also lead to temporary taxable differences occurred due to loan impairment provisions and income tax liabilities being treated by the tax authorities as understatement of the tax base.

Generally, taxpayers are subject to tax audits with respect to three calendar years preceding the year of the audit. However, completed audits do not exclude the possibility of subsequent additional tax audits performed by upper-level tax inspectorates reviewing the results of tax audits of their subordinate tax inspectorates. Also according to the clarification of the Russian Constitutional Court the statute of limitation for tax liabilities may be extended beyond the three year term set forth in the tax legislation, if a court determines that the taxpayers has obstructed or hindered a tax inspection.

Operating environment – The Partnership’s principal business activities are within the Russian Federation. Laws and regulations affecting the business environment in the Russian Federation are subject to rapid changes and the Partnership’s assets and operations could be at risk due to negative changes in the political and business environment.

Specific volatility in global and Russian Federation’s financial markets – In recent months a number of major economies around the world, including the economy of the Russian Federation, have experienced volatile capital and credit markets. A number of major global financial institutions have either declared bankruptcy, have been sold to other financial institutions and/ or supported by government funding. Also as a result of these processes the Russian Ruble was devaluated significantly. As a consequence of the recent market turmoil in capital and credit markets both globally and in the Russian Federation, notwithstanding any potential economic stabilization measures that may be put into place by the Government of the Russian Federation, there exist economic uncertainties surrounding the continual availability, and cost, of credit



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both for the Partnership and its counterparties. The potential for economic uncertainties may continue in the foreseeable future. As a consequence, the potential that assets may not be recovered at their carrying amount in the regular course of business, and a corresponding impact on the Partnership's profitability.

It is the management's opinion that no additional provision on financial assets is needed at present, based on prevailing conditions and available information.

Assets on depo accounts – These assets are not shown on the balance sheet, since they do not belong to the Partnership. Assets on depo accounts fall into the following categories:

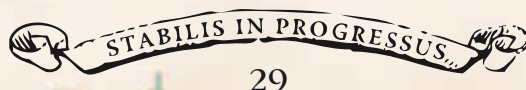
(in RUB million)	Market value	
	31 December 2008	31 December 2007
Corporate bonds	1,547,083	1,106,308
Russian State Bonds (OFZ)	1,244,024	961,183
Corporate shares	777,772	1,595,926
Municipal bonds	276,541	205,638
Eurobonds	234,078	42,202
Units in investment funds	37,633	17,070
Bonds of the CBR	12,908	100,659
Total	4,130,039	4,028,986

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

Estimated fair value disclosures of financial instruments are made in accordance with the requirements of IAS 32 "Financial Instruments: Disclosure" and IAS 39 "Financial instruments: Recognition and Measurement" and IFRS 7 "Financial instruments: Disclosure". Fair value is defined as the price at which the financial instrument could be purchased in a current transaction between knowledgeable willing independent parties in an arm's length transaction other than in forced or liquidation sale. The estimates presented herein are not necessarily indicative of the amounts the Partnership could realize in a market exchange from the sale of its full holdings of a particular instrument.

The fair value of financial assets and liabilities compared with the corresponding carrying amount in the balance sheet of the Partnership is presented below:

	31 December 2008		31 December 2007	
	Current value (RUB '000)	Fair value (RUB '000)	Current value (RUB '000)	Fair value (RUB '000)
Cash and cash equivalents	884,034	884,034	897,413	897,413
Due from banks	1,075,010	1,075,010	1,049,660	1,049,660
Securities available-for-sale	4,700	4,700	4,700	4,700
Investments in associates	525,226	525,226	129,154	129,154
Gain on securities payable to depositors	841,942	841,942	841,045	841,045
Redeemable contributions of participants	62,280	62,280	62,280	62,280



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20. TRANSACTIONS WITH RELATED PARTIES

Related parties or transactions with related parties, as defined by IAS 24 “Related Party Disclosures”, represent:

- (a) Parties that directly, or indirectly through one or more intermediaries: control, or are controlled by, or are under common control with, the Partnership (this includes parents, subsidiaries and fellow subsidiaries); and that exercise joint control over the Partnership;
- (b) Associates are enterprises on which the Partnership has significant influence and which are neither a subsidiary nor a joint venture of the investor;
- (c) Joint ventures in which the Partnership is a venturer;
- (d) Members of key management personnel of the Partnership or its parent;
- (e) Close members of the family of any individuals referred to in (a) and (d);
- (f) Entities that are under control, joint control or significant influence of any person described in (a) – (e), or in which a substantial interest in the voting power is owned, directly or indirectly, by such a person;
- (g) Post-employment benefit plans for the benefit of employees of the Partnership, or of any entity that is a related party of the Partnership.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Partnership had the following transactions outstanding as at 31 December 2008 with related parties:

	Companies having control or significant influence on the Partnership	Associates	Companies under common control	Total transactions with related parties	Total category as per financial statements caption
Assets					
Cash	—	—	780,003	780,003	884,034
Trade and other receivables	10,015	3,876	143	14,034	168,221
Investments in associates	—	525,226	—	525,226	525,226
Liabilities					
Trade and other payables	1,760	2	879	2,641	170,621
Redeemable contributions of participants	53,560	—	—	53,560	62,280

NOT-FOR-PROFIT PARTNERSHIP “THE NATIONAL DEPOSITORY CENTER”

The Partnership had the following results of operations with related parties during the year ended 31 December 2008:

	Companies having control or significant influence on the Partnership	Associates	Companies under common control	Total transactions with related parties	Total category as per financial statements caption
Commission income on depository services	65,821	61,225	2,460	129,506	1,204,559
Operating expenses including	126,166	2,159	10,549	138,874	756,482
<i>Operating lease and maintenance of fixed assets</i>	126,166	—	—	126,166	
<i>Registration expenses</i>	—	2,159	—	2,159	
<i>Services of regional stock exchanges</i>	—	—	10,549	10,549	
Share of profit attributable to associates	—	19,646	—	19,646	19,646

The Partnership had the following transactions outstanding as at 31 December 2007 with related parties:

	Companies having control or significant influence on the Partnership	Associates	Companies under common control	Total transactions with related parties	Total category as per financial statements caption
Assets					
Cash	—	—	779,550	779,550	897,413
Trade and other receivables	6,405	5,745	—	12,150	165,448
Investments in associates	—	129,154	—	129,154	129,154
Liabilities					
Trade and other payables	1,654	3	879	2,536	163,963
Redeemable contributions of participants	53,560	—	—	53,560	62,280

NOT-FOR-PROFIT PARTNERSHIP “THE NATIONAL DEPOSITORY CENTER”

The Partnership had the following results of operations with related parties during the year ended 31 December 2007:

	Companies having control or significant influence on the Partnership	Associates	Companies under common control	Total transactions with related parties	Total category as per financial statements caption
Commission income on depository services	54,319	82,951	910	138,180	1,161,801
Operating expenses including	99,103	40	11,213	110,355	708,590
<i>Operating lease and maintenance of fixed assets</i>	99,103	—	—	99,103	
<i>Registration expenses</i>	—	40	—	40	
<i>Services of regional stock exchanges</i>	—	—	11,213	11,213	
Share of profit attributable to associates	—	23,930	—	23,930	23,930

Total remuneration paid to the key management personnel for the years ended 31 December 2008 and 2007 included salaries and bonuses and amounted to RUB 48,521 thousand and RUB 45,286 thousand, respectively.

The remuneration paid to the Board of Directors of the Partnership for the year 2008 will amount to RUB 3,868 thousand (for the year 2007 – RUB 3,463 thousand).

21. SUBSEQUENT EVENTS

In April 2009 the General Meeting of the Partnership’s Participants approved a reorganization of the Partnership into Closed Joint Stock Company “The National Depository Center”. The Partnership plans to complete the reorganization during 2009.

The share capital of the Closed Joint Stock Company under formation will comprise 150,592 ordinary shares with a par value of RUB 10,000 each. Shares will be distributed among the participants of the Partnership pro rata to the number of votes.

