CBOM Finance Plc

Directors' report and audited financial statements

For the year ended 31 December 2014

Registered number: 425241

Contents

Directors and other information

Directors	Rhys Owens Deirdre Glynn	
Registered Office	*As from 6 November 2014* 6th Floor Pinnacle 2 Eastpoint Business Park Dublin 3 Ireland	*Until 5 November 2014* 5 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
Administrator & Company Secretary	Deutsche International Corporate Services (Ireland) Limited *As from 20 October 2014* 6th Floor Pinnacle 2 Eastpoint Business Park Dublin 3 Ireland	 *Until 19 October 2014* 5 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
Independent Auditors	KPMG Chartered Accountants, Statutory Audit firm 1 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland	
Principal Paying Agent, Banker	The Bank of New York Mellon One Canada Square London E14 5AL United Kingdom	
Solicitors	Arthur Cox Solicitors Arthur Cox Building Earlsfort Centre Earlsfort Terrace Dublin 2 Ireland	
Bankers	Bank of Ireland 2 Burlington Plaza Burlington Road Dublin 4 Ireland The Bank of New York Mellon One Canada Square London E14 5AL United Kingdom	
Trustee	Citibank N.A 33 Canada Square London W14 5LB United Kingdom	BNY Corporate Trustee Services Ltd 40th Floor One Canada Square London E14 5AL United Kingdom

Directors' report

The Directors present the annual report and audited financial statements of CBOM Finance Plc ("the Company") for the year ended 31 December 2014.

Principal activities

CBOM Finance Plc (the "Company") is a limited liability company, incorporated in Ireland under the Companies Acts 1963 to 2013. The Company initially issued USD 100 million in aggregate principal amount of 9.50% loan participation notes due 2009 (the "Notes") for the sole purpose of financing a loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Loan was repaid by the Borrower and the Notes were redeemed on 21 October 2009.

On 5 August 2011, the Company further issued USD 200 million in aggregate principal of 8.25% loan participation notes due 2014 (the "Notes") for the sole purpose of financing a loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Borrower would reimburse all the costs incurred by the Company. The Loan was repaid by the Borrower and the Notes were redeemed on 5 August 2014.

On 1 February 2013, the Company further issued USD 500 million in aggregate principal of 7.70% loan participation notes due 2018 (the "Notes") for the sole purpose of financing a loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Borrower would reimburse all the costs incurred by the Company.

On 13 May 2013, the Company further issued USD 500 million in aggregate principal of 8.70% loan participation notes due 2018 (the "Notes") for the sole purpose of financing a loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Borrower would reimburse all the costs incurred by the Company.

On 26 November 2014, the Company further issued RUB 5 billion in aggregate principal of 16.50% loan participation notes due 2025 (the "Notes") for the sole purpose of financing a subordinated loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Borrower would reimburse all the costs incurred by the Company.

Business review

During the year:

- the Company issued RUB 5,000,000,000 16.50% loan participating notes due 2025; and
- the Company made a profit after tax of USD 2,250 (2013: USD 4,500).

At 31 December 2014:

- The Company's net indebtedness was USD 1,099,769,190 (2013: USD 1,221,677,203).
- The Company's net assets was USD 62,778 (2013: USD 60,528).

Future development

The Directors expect the present level of activity to be sustained for the foreseeable future. The Board will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of loan participating notes.

Results and dividends for the year

The results for the year are set out on page 8. The Directors have not recommended payment of dividends for the year under review (2013: USD nil).

Changes in Directors, secretary and registered office

On 6 November 2014, the registered office of the Company changed its address from 5 Harbourmaster Place, IFSC, Dublin 1, Ireland to 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

There have been no other changes in Directors, secretary and registered office during the year and/or since the year end.

Directors, secretary and their interests

The Director, Rhys Owens, and the Secretary, Deutsche International Corporate Services (Ireland) Limited, who held office on 31 December 2014, held 1 share each in the Company on behalf of the charitable trust as at 31 December 2014. The Directors at the date of this report are listed on page 1. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 1990, at any time during the year, or at year end.

Accounting records

The Directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to the books of account by employing an Administrator that employs accounting personnel with the appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at 6th Floor, Pinnacle 2, Eastpoint Business Park, Dublin 3, Ireland.

Financial risk management

The disclosures in relation to the Company's policies for financial risk management, including market risk, credit risk, interest rate risk and liquidity risk, and the nature of financial instruments used during the year to mitigate exposure to these risks is shown in note 18 to the financial statements.

Directors' report (continued)

Subsequent events

There have been no significant subsequent events up to the date of signing this report that require disclosure or adjustment to the financial statements.

Going Concern

The Company's financial statements for the year ended 31 December 2014 have been prepared on a going concern basis. The loan is referenced to the specific note, and any loss derived from the asset will be ultimately borne by the Noteholders. The Notes in issue have maturities ranging between the years 2018 to 2025. The Directors believe that the going concern basis is appropriate.

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour. Operational risk arises from all the Company's operations.

The Company was incorporated with the purpose of engaging in those activities as outlined in Note 1. All management and administration functions are outsourced to Deutsche International Corporate Services (Ireland) Limited.

Audit committee

Statutory audits in Ireland are regulated by the European Communities Regulations, 2011 (S.I. 220 of 2011). According to the regulations, if the sole business of the Company relates to the issuing of asset backed securities, the Company is exempt from the requirement to establish an audit committee (under Regulation 91(9) (d) of the Regulations). In this respect, the Company is not required to establish an audit committee.

Corporate Governance Statement

Introduction

The Company is subject to and complies with Irish Statute comprising the Companies Acts 1963 to 2013 and the Listing rules of the Irish Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Deutsche International Corporate Services (Ireland) Limited, to maintain the accounting records of the Company independently of the Arranger and the Custodian. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. To that end, the Administrator performs reconciliations of its records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time, the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements. More specifically:

- The Administrator has a review procedure in place to ensure errors and omissions in the financial statements are identified and corrected.
- Regular training on accounting rules and recommendations is provided to the accountants employed by the Administrator.
- For Accounting bulletins, issued by Deutsche Bank AG, London, an entity related to Deutsche International Corporate Services (Ireland) Limited, are distributed monthly to all accountants employed by the Administrator.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Directors' report (continued)

Corporate Governance Statement (continued)

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Given the contractual obligations on the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital. There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Acts, 1963 to 2013 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Independent auditor

The independent auditor, KPMG, Chartered Accountants & Statutory Audit Firm, have signified their willingness to continue in office in accordance with Section 160(2) of the Companies Act, 1963.

On behalf of the board

Deirdre Glynn

Rhys Owens
Director

Deirdre Glynn
Director

Date: 17.4.15

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union (EU) and Irish Statute comprising the Companies Acts, 1963 to 2013.

The Company's financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position and performance of the Company. The Companies Acts 1963 to 2013 provide in relation to such financial statements that references in the relevant parts of those Acts to financial statements giving a true and fair view are referenced to their achieving a fair presentation.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the EU as applied in accordance with the Companies Acts 1963 to 2013;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2013. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Acts, 1963 to 2013.

On behalf of the board

Rhys Owens
Director

Deirdre Glynn

Deirdre Glynn
Director

Date: 17.4.15

KPMG
Audit
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBOM FINANCE PLC

We have audited the financial statements ("financial statements") of CBOM Finance Plc for the year ended 31 December 2014 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report to identify material inconsistencies, with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBOM FINANCE PLC (continued)

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the Company's affairs as at 31 December 2014 and of its result for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2013.

Matters on which we are required to report by the Companies Acts 1963 to 2013

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

The financial statements are in agreement with the books of account and, in our opinion, proper books of account have been kept by the Company.

The net assets of the Company, as stated in the Statement of financial position, are more than half of the amount of its called-up share capital and, in our opinion, on that basis, there did not exist at 31 December 2014 a financial situation which under Section 40(1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the Company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions specified by law are not made.

Colm Clifford
For and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Date: 17 APRIL 2015

Statement of comprehensive income
For the year ended 31 December 2014

	Note	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Interest income on loans and receivables	4	94,895,741	81,022,832
Interest expense on debt securities issued	5	(94,895,741)	(81,022,832)
		-	-
Other income	6	141,846	238,365
Other expenses	7	(126,221)	(235,236)
Foreign exchange (loss)/gain	8	(12,625)	2,871
Profit on ordinary activities before taxation		3,000	6,000
Taxation	9	(750)	(1,500)
Profit for the year after taxation		2,250	4,500
Other comprehensive income		-	-
Total comprehensive income for the year		2,250	4,500

All items dealt with in arriving at the total comprehensive income for the years ended 31 December 2014 and 31 December 2013 related to continuing operations.

On behalf of the Board

Rhys Owens
Director

Deirdre Glynn

Deirdre Glynn
Director

Date: 17.4.15

Statement of financial position
As at 31 December 2014

	Note	31-Dec-14	31-Dec-13
		USD	USD
Assets			
Cash and cash equivalents	11	130,445	120,699
Loans and receivables	10	1,076,659,367	1,193,207,181
Other receivables	12	23,172,601	28,530,550
Total assets		1,099,962,413	1,221,858,430
Liabilities and Equity			
Liabilities			
Other payables	13	23,240,268	28,590,721
Debt securities issued	14	1,076,659,367	1,193,207,181
Total liabilities		1,099,899,635	1,221,797,902
Equity			
Share capital	15	51,528	51,528
Retained earnings		11,250	9,000
Total equity		62,778	60,528
Total equity and liabilities		1,099,962,413	1,221,858,430

On behalf of the Board

Rhys Owens
Director

Deirdre Glynn

Deirdre Glynn
Director

Date:

The accompanying notes to the financial statements on pages 12 to 22 form an integral part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2014

	Share capital USD	Retained earnings USD	Total USD
Balance as at 1 January 2013	51,528	4,500	56,028
Total comprehensive income for the year			
Profit for the year	-	4,500	4,500
Other comprehensive income	-	-	-
Total comprehensive income	-	4,500	4,500
Balance as at 31 December 2013	51,528	9,000	60,528
Total comprehensive income for the year			
Profit for the year	-	2,250	2,250
Other comprehensive income	-	-	-
Total comprehensive income	-	2,250	2,250
Balance as at 31 December 2014	51,528	11,250	62,778

Statement of cash flows
For the year ended 31 December 2014

	Year ended 31-Dec-14	Year ended 31-Dec-13
Cash flows from operating actvities	**USD**	**USD**
Profit from ordinary activities after taxation	2,250	4,500
Adjustments for:		
Amortisation of issue costs	1,720,968	1,681,165
Accretion of facility fee	(1,720,968)	(1,681,165)
	2,250	4,500
Interest income on loans and receivables*	93,174,773	79,341,667
Interest expense on debt securities issued*	(93,174,773)	(79,341,667)
Decrease/(increase)in other receivables	32,722	(39,300)
(Decrease)/increase in other payables	(25,226)	53,798
Net cash generated from operating activities	**9,746**	**18,998**
Cash flows from investing activities		
Loan advanced	(108,500,000)	(1,000,000,000)
Loan repaid	(200,000,000)	-
Interest received during the year*	98,500,000	57,500,000
Arrangement fees	592,280	7,218,215
Net cash used in investing activities	**(209,407,720)**	**(935,281,785)**
Cash flows from financing activities		
Issuance of debt securities issued	108,500,000	1,000,000,000
Redemption of debt securities issued	200,000,000	-
Interest paid during the year*	(98,500,000)	(57,500,000)
Issue cost	(592,280)	(7,218,215)
Net cash generated from financing activities	**209,407,720**	**935,281,785**
Net increase in cash	9,746	18,998
Cash and cash equivalents at start of year	120,699	101,701
Cash and cash equivalents at end of year	**130,445**	**120,699**

*The comparative amounts for interest income and interest expense have been disclosed on the face of the Statement of cash flows to comply with the requirements of paragraphs 31 and 35 of IAS 7 "Cash Flow Statement". These reclassification have no impact on the cash flow, equity and profit or loss of the Company.

Notes to the financial statements
For the year ended 31 December 2014

1. General information

CBOM Finance Plc (the "Company") is a limited liability company, incorporated in Ireland under the Companies Acts 1963 to 2013. The Company had initially issued USD 100 million in aggregate principal amount of 9.50% Loan participation Notes due 2009 ("the Notes") with interest rate step-up to 10.25% in 2007 for the sole purpose of financing a loan ("the Loan") to Credit Bank of Moscow (the "Borrower"). At the date of issue, the Borrower paid the Company an amount of USD 1,232,523 as facility fee to settle the closing costs and will also reimburse all the costs incurred by the Company. The Notes matured and were redeemed on 21 October 2009.

On 5 August 2011, the Company further issued USD 200 million in aggregate principal amount of 8.25% Loan Participation Notes due 2014 for the sole purpose of financing a loan to Credit Bank of Moscow (the "Borrower"). The Borrower paid the Company an amount of USD 2,300,790 as facility fee to settle the issue costs on the Notes issued and will also reimburse all administration and operating costs incurred by the Company. The Loan was repaid by the Borrower and the Notes were redeemed on 5 August 2014.

On 1 February 2013, the Company further issued USD 500 million in aggregate principal of 7.70% loan participation notes due 2018 (the "Notes") for the sole purpose of financing a loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Borrower would reimburse all the costs incurred by the Company.

On 13 May 2013, the Company further issued USD 500 million in aggregate principal of 8.70% loan participation notes due 2018 (the "Notes") for the sole purpose of financing a loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Borrower would reimburse all the costs incurred by the Company.

On 26 November 2014, the Company further issued RUB 5 billion in aggregate principal of 16.50% loan participation notes due 2025 (the "Notes") for the sole purpose of financing a subordinated loan (the "Loan") to Credit Bank of Moscow (the "Borrower"). The Borrower would reimburse all the costs incurred by the Company.

The Company does not have any subsidiaries and these financial statements represent only the financial performance and position of CBOM Finance Plc, as an individual entity for the year under review.

The Company has no direct employees.

2. Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") and its interpretations as adopted by the European Union (EU) and as applied in accordance with the Companies Acts 1963 to 2013.

The accounting policies set out below have been applied consistently in preparing the financial statements for the year ended 31 December 2014 and the comparative information. The comparative information presented in these financial statements are for the year ended 31 December 2013.

These financial statements have been prepared on a going concern basis, as explained in the Directors' Report.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following:

- Loans and receivables are measured at amortised cost; and
- Debt securities issued are measured at amortised cost.

(c) Functional and presentation currency

The financial statements are presented in USD which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The debt securities issued are primarily denominated in USD. The directors of the Company believe that USD most faithfully represents the economic effects of the underlying transactions, events and conditions.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Notes to the financial statements (continued)
For the year ended 31 December 2014

2. Basis of preparation (continued)

(e) New standards, amendments or interpretations

(i) Effective for annual periods beginning on 1 January 2014

A number of new standards and interpretations are effective for annual periods beginning on or after 1 January 2014. Of these, the following were of relevance to the Company and were considered for adoption:

The amendments to IAS 32 Financial Instruments: Presentation (Offsetting Financial Assets and Financial Liabilities) clarify the offsetting criteria in IAS 32 by revising the guidance on when an entity currently has a legally enforceable right to set-off and when gross settlement is considered to be equivalent to net settlement. Based on the new requirements, the Company assessed that at this time, no revisions to its previous approach to offsetting of financial assets and financial liabilities arises in the statement of financial position.

IFRS 10 Consolidated Financial Statements establishes a new control-based model for consolidation that replaces the existing requirements of both IAS 27 and SIC-12 Consolidation - Special Purpose Entities. Under the new standard, an investor controls an investee when (i) it has exposure to variable returns from that investee (ii) it has the power over relevant activities of the investee that affect those returns and (iii) there is a link between that power and those variable returns. The standard includes specific guidance on the question of whether an entity is acting as an agent or principal in its involvement with an investee. The assessment of control is based on all facts and circumstances and is reassessed if there is an indication that there are changes in those facts and circumstances.

The Directors have assessed that IFRS 10 did not have an impact on the Company as it is a stand-alone entity with no interests that could potentially qualify as a subsidiary interest. Therefore, based on the new requirements, the Company assessed that there were no implications for the financial statements. As the Company has no subsidiaries, the IFRS 10 Amendment on Investment Entities does not apply.

The Directors have assessed that IFRS 12 did not have any impact on the Company as the Company does not hold any Interest in Other Entities. IFRS 12 sets out more comprehensive disclosures relating to the nature, risks and financial effects of interests in subsidiaries, associates, joint arrangements and consolidated structured entities. Interests are widely defined as contractual and non-contractual involvement that exposes an entity to variabilty of returns from the performance of the other entity or operation.

(ii) Effective for annual periods beginning after 1 January 2014

The Directors have set out below both the upcoming EU endorsed and un-endorsed accounting standards, amendments or interpretations.

Description	Effective date (period beginning)*
Annual Improvements to IFRSs 2010-2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle	1 February 2015**
Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortisation	1 January 2016
Amendments to IAS 27 Equity method in Separate Financial Statements	1 January 2016
Amendments to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016
Amendments to IAS 1: Disclosure Initiative	1 January 2016
Annual Improvements to IFRSs 2012-2014 Cycle	1 January 2016
IFRS 9 Financial Instruments (2009, and subsequent amendments in 2010 and 2013)	1 January 2018

*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable to the Company, it will apply them from their EU effective date.

** EU endorsed

The Directors have considered the new standards, amendments and interpretations as detailed in the above table and does not plan to adopt these standards early. The application of all of these standards, amendments or interpretations will be considered in detail in advance of a confirmed effective date by the Company. The Directors have concluded that the following may be relevant and are still reviewing the impact of the upcoming standards to determine their impact.

IAS 24 Related Party Disclosure: This improvement relates to the identification of an entity providing Key Management Personnel (KMP) services to the reporting entity being a related party of the reporting entity.

Amendments to IAS 1: Disclosure Initiative: These amendments to IAS 1 Presentation of Financial Statements address some of the concerns expressed about existing presentation and disclosure requirements and ensure that the entities are able to use judgement where applying IAS 1. The amendments relate to the following; materiality, order of the notes, subtotals, accounting policies and disaggregation.

3. Significant accounting policies

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

(a) Interest income and expense

Interest income on loans and receivables and interest expense on debt securities issued are recognised in the statement of comprehensive income on an effective interest rate basis.

Notes to the financial statements (continued)
For the year ended 31 December 2014

3. Significant accounting policies (continued)

(a) Interest income and expense (continued)

The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

(b) Income tax

Income tax expense is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity consistent with the accounting for the item to which it is related.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantively enacted at the balance sheet date, and adjustment to tax payable in respect of previous years.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(d) Financial instruments

The financial instruments held by the Company include the following:

- Loans and receivables; and
- Debt securities issued.

Categorisation

The Company has classified Loans and receivables as loans and receivables and the Debt securities issued as other liabilities.

Loans and receivables

The loans and receivables are initially measured at fair value. They are classified as loans and receivables and are carried at amortised cost adjusted for any impairment.

Debt securities issued

The debt securities issued are initially recognised at fair value, being their issue proceeds (fair value of consideration received) net of transaction costs incurred. These are subsequently measured at amortised cost and any difference between the proceeds net of transaction costs and the redemption value is recognised in the statement of comprehensive income using the effective interest rate method.

Initial recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principle or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

3. Significant accounting policies (continued)

(d) Financial instruments (continued)

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a mid price.

If there is no quoted price in an active market, the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

(e) Impairment

Financial assets that are stated at amortised cost are reviewed at each reporting date to determine whether there is objective evidence of impairment. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. If any such indication exists, an impairment loss is recognised in the Statement of comprehensive income as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective rate. If in a subsequent period the expected recoverable amount of a previously impaired asset increases, the earlier impairment loss is reversed through the Statement of comprehensive income.

(f) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised costs in the functional currency at the beginning of the year, adjusted for effective interest and payments during the period, and amortised cost in foreign currency translated at the exchange rate at the end of the year. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the Statement of comprehensive income.

(g) Operating income and expenses

Operating income and expenses are accounted for on an accruals basis.

(h) Segment reporting

The Company is engaged as one segment which involves granting loans to Credit Bank of Moscow (open joint-stock company) financed through the issue of debt securities. The standard on segmental reporting puts emphasis on the management approach to reporting on operating segments. An operating segment is a component of the Company that engages in business activities from which it may earn revenue and incur expenses. The Directors perform regular reviews of the operating results of the Company and make decisions using financial information at the Company level considering it as one entity. Accordingly, the Directors believe that the Company has only one reportable operating segment. The Directors are responsible for ensuring that the Company carries out business activities in line with transaction documents. They may delegate some of the day to day management of the business to other parties both internal and external to the Company. The decisions of such parties are reviewed on a regular basis to ensure compliance with the policies and legal responsibilities of the Directors.

4. Interest income on loans and receivables

	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Interest income on loans and receivables	93,174,773	79,341,667
Accretion of facility fees	1,720,968	1,681,165
	94,895,741	81,022,832

For details of loans, see note 10.

5. Interest expense on debt securities issued

	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Interest expense on debt securities issued	(93,174,773)	(79,341,667)
Amortisation of issue cost	(1,720,968)	(1,681,165)
	(94,895,741)	(81,022,832)

For details of debt securities issued, see note 14.

Notes to the financial statements (continued)
For the year ended 31 December 2014

6. Other income

	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Reimbursement of other expenses	127,884	232,341
VAT refund	13,962	-
Corporate benefit	-	6,000
Bank interest	-	24
	141,846	238,365

Other expenses incurred by the Company are re-imbursed by Credit Bank of Moscow, the Borrower.

During the year, foreign exchange gain of USD 2,871 on cash and cash equivalents that was classified under other income note in 2013 was reclassified in Note 8 - Foreign exchange (loss)/gain.

7. Other expenses

	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Professional fees	(64,366)	(162,888)
Administration fees	(37,050)	(40,607)
Audit fees	(17,724)	(22,014)
Tax fees	(6,942)	(9,686)
Bank charges	(139)	(41)
	(126,221)	(235,236)

The Company has no employees and the Directors received no remuneration during the year (2013: Nil).

Auditor's remuneration (Exclusive of VAT)

	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Statutory audit	(14,410)	(17,898)
Other assurance services	-	-
Tax advisory services	(5,644)	(7,875)
Other non-audit services	-	-
	(20,054)	(25,773)

8. Foreign exchange (loss)/gain

	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Gain on translation of debt securities in issue	26,176,502	-
Loss on translation of loans and receivables	(26,176,502)	-
Foreign exchange (loss)/gain on cash and cash equivalents	(12,625)	2,871
	(12,625)	2,871

9. Taxation

	Year ended 31-Dec-14 USD	Year ended 31-Dec-13 USD
Profit on ordinary activities before taxation	3,000	6,000
Corporation tax at 25 %	750	1,500

The Company is liable to corporation tax at a rate of 25 % (2013: 25%) and will continue to be actively taxed at 25% in accordance with Section 110 of the Taxes Consolidation Acts 1997.

10. Loans and receivables

	31-Dec-14 USD	31-Dec-13 USD
Loans	1,076,659,367	1,193,207,181
Cost		
Balance at start of the year	1,200,000,000	200,000,000
Loans advanced during the year	108,500,000	1,000,000,000
Loans repaid during the year	(200,000,000)	-
Foreign exchange loss	(26,176,502)	-
At end of the year	1,082,323,498	1,200,000,000

10. Loans and receivables (continued)

	31-Dec-14	31-Dec-13
Arrangement fees		
Balance at start of the year	(6,792,819)	(1,255,769)
Arrangement fees	(592,280)	(7,218,215)
Accretion of facility fees	1,720,968	1,681,165
At end of the year	(5,664,131)	(6,792,819)
At end of the year	1,076,659,367	1,193,207,181

Maturity analysis	31-Dec-14 USD	31-Dec-13 USD
Within 1 year	-	199,512,658
2 to 5 years	994,926,267	993,694,523
Greater than 5 years	81,733,100	-
	1,076,659,367	1,193,207,181

On 5 August 2011, the Company advanced a USD 200,000,000 8.25% Fixed Rate Loan due 2014 to Credit Bank of Moscow. The loan was fully repaid on 5 August 2014.

On 1 February 2013, the Company advanced a USD 500,000,000 7.70% Fixed Rate Loan due 2018 to Credit Bank of Moscow.

On 13 May 2013, the Company advanced a USD 500,000,000 8.70% Fixed Rate Loan due 2018 to Credit Bank of Moscow.

On 26 November 2014, the Company advanced a RUB 5,000,000,000 16.50% Fixed Rate Subordinated Loan due 2025 to Credit Bank of Moscow.

11. Cash and cash equivalents

	31-Dec-14 USD	31-Dec-13 USD
Cash at bank	130,445	120,699

The Company's cash balances are held with Bank of Ireland - 93% (2013: 93%) and BNY Mellon - 7% (2013: 7%).

12. Other receivables

	31-Dec-14 USD	31-Dec-13 USD
Interest receivable	23,162,273	28,487,500
Corporate benefit receivable	9,000	9,000
Other income receivable	1,328	34,050
	23,172,601	28,530,550

13. Other payables

	31-Dec-14 USD	31-Dec-13 USD
Advance received to reimburse expenses	39,038	40,756
Interest payable	23,162,273	28,487,500
Accrued expenses	38,957	60,965
Corporation tax	-	1,500
	23,240,268	28,590,721

14. Debt securities issued

	31-Dec-14 USD	31-Dec-13 USD
Debt securities issued	1,076,659,367	1,193,207,181
Cost		
Balance at start of the year	1,200,000,000	200,000,000
Notes issued during the year	108,500,000	1,000,000,000
Debt securities repaid during the year	(200,000,000)	-
Foreign exchange gain	(26,176,502)	-
At end of the year	1,082,323,498	1,200,000,000
Issue costs		
Balance at start of the year	(6,792,819)	(1,255,769)
Issue cost on issuance of debt securities	(592,280)	(7,218,215)
Amortisation of issue cost	1,720,968	1,681,165
At end of the year	(5,664,131)	(6,792,819)
At end of the year	1,076,659,367	1,193,207,181
Maturity analysis		
Within 1 year	-	199,512,658
2 to 5 years	994,926,267	993,694,523
Greater than 5 years	81,733,100	-
	1,076,659,367	1,193,207,181

14. Debt securities issued (continued)

On 5 August 2011, the Company issued USD 200,000,000 8.25% loan participation notes due 2014. Interest on the debt securities issued will be payable at the rate of 8.25% per annum, semi-annually in arrears on 5 February and 5 August in each year commencing on 5 February 2012. The debt securities have been issued at 100%. The debt securities issued matured in August 2014 and was fully repaid.

On 1 February 2013, the Company issued USD 500,000,000 7.70% loan participation notes due 2018. Interest on the debt securities issued will be payable at the rate of 7.70% per annum, semi-annually in arrears on 1 February and 1 August in each year commencing on 1 August 2013. The debt securities have been issued at 100%.

On 13 May 2013, the Company issued USD 500,000,000 8.70% loan participation notes due 2018. Interest on the debt securities issued will be payable at the rate of 8.70% per annum, semi-annually in arrears on 13 May and 13 November in each year commencing on 13 November 2013. The debt securities have been issued at 100%.

On 26 November 2014, the Company issued RUB 5,000,000,000 16.50% loan participation notes due 2025. Interest on the debt securities issued will be payable at the rate of 16.50% per annum, semi-annually in arrears on 26 May and 26 November in each year commencing on 26 May 2015. The debt securities have been issued at 100%.

The debt securities are limited recourse obligations of the Company. In each case where amounts are stated to be payable in respect of the debt securities, the obligation of the Company to make any such payment shall constitute an obligation only to account of the Noteholders, on each date upon which such amounts are due in respect of the debt securities. The Company will have no other financial obligation under the Notes. Accordingly, holders of the Notes are deemed to have agreed that they will rely on the covenants, credit and financial standing of Credit Bank of Moscow in respect of the financial servicing of the debt securities.

The debt securities issued are listed on the Irish Stock Exchange.

15. Share capital	**31-Dec-14**	**31-Dec-13**
Authorised	**USD**	**USD**
40,000 shares of € 1 each	51,528	51,528
Issued and fully paid		
40,000 shares of € 1 each	51,528	51,528

16. Ownership of the Company

The major shareholder of the Company is Deutsche International Finance (Ireland) Limited holding 39,994 shares. In addition, Adrian Bailie, Rhys Owens, Deutsche International Corporate Services (Ireland) Limited, Eimir McGrath, Michael Carroll and Elizabeth Kelly hold one share each in the Company. All shares are held under the terms of declarations of trust, under which the relevant share trustee holds the issued shares of the Company on trust for a charity. The trustee has appointed a Board of Directors to run the day-to-day affairs of the Company. The Board has considered the issue as to who is the Controlling Party of the Company. It has been determined that the control of the day-to-day activities of the Company rests with the Board. The Board is comprised of two directors.

17. Related party and certain other transactions

The Directors are of the view that there are no related party transactions requiring disclosure.

Transactions with Credit Bank of Moscow

The proceeds received by the Company from the issue of the Notes were used to finance a loan to Credit Bank of Moscow. Credit Bank of Moscow undertakes to pay the Company interest in arrears as described under the "Terms and Conditions of the Notes". It also reimburses the Company for administrative expenses incurred by the Company.

Transactions with Administrator

During the year, the Company incurred a fee of USD 37,050 (2013: USD 40,607) relating to administration services provided by Deutsche International Corporate Services (Ireland) Limited.

18. Financial risk management

Introduction and overview

The principal activity of the Company, a Special Purpose Vehicle, is limited to the holding of USD denominated loans, funded through the issue of Notes denominated in the same currency. Therefore, the role of loans and receivables and debt securities issued is central to the activities of the Company; the debt securities issued provide the funding to advance loans to the Borrower.

Loans advanced and debt securities issued form the majority of the assets and liabilities of the Company and generate the majority of the income and expenses.

The Company is not engaged in any other activities.

Notes to the financial statements (continued)
For the year ended 31 December 2014

18. Financial risk management (continued)

The risk profile of the Company is such that market, credit, liquidity and other risks of the loans and receivables are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

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

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

(a) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge its obligation. At the reporting date, the assets of the Company comprise of loans, cash at bank and other receivables. The loans are advanced to Credit Bank of Moscow. Any default on the loan will be borne by the Noteholders due to the limited recourse nature of the Notes issued. The Notes can only be paid out of the proceeds of the loan. Therefore, the Company does not have any credit risk on these loans. The Credit Bank of Moscow is rated BB (2013: BB) by Fitch. Cash balances are held with Bank of Ireland and BNY Mellon which are rated Baa3 (2013: Ba2) and Aa2 (2013: Aa2) respectively by Moody's. Other assets mainly include receivables from Credit bank of Moscow, the Originator, in respect of interest accrued on loans and reimbursement of operating expenses.

The Company's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as at 31 December 2014 in relation to each class of recognised financial assets, is set out below:

	31-Dec-14 USD	31-Dec-13 USD
Loans and receivables	1,076,659,367	1,193,207,181
Cash and cash equivalents	130,445	120,699
Other receivables	23,172,601	28,530,550
	1,099,962,413	1,221,858,430

(b) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset or that such obligation will have to be settled in a manner disadvantageous to the Company. The Company's approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring acceptable losses or risking damage to the Company's reputation.

The Company's obligation to Noteholders is limited to the net proceeds upon realisation of loans. Should the net proceeds and other assets be insufficient to make all payments due in respect of the Notes, then the deficit is borne by the Noteholders.

The following are contractual maturities of financial liabilities including undiscounted interest payments and excluding the impact of netting arrangements:

31 December 2014	Carrying amount USD	Gross contractual cash flows USD	Less than one year USD	One to two years USD	Two to five years USD	More than five years USD
Debt securities issued	1,076,659,367	1,517,036,692	95,583,377	95,583,377	1,168,120,964	157,748,974
Other liabilities	23,240,268	23,240,268	23,240,268	-	-	-
	1,099,899,635	1,540,276,960	118,823,645	95,583,377	1,168,120,964	157,748,974

31 December 2013	Carrying amount USD	Gross contractual cash flows USD	Less than one year USD	One to two years USD	Two to five years USD
Debt securities issued	1,193,207,181	1,584,455,556	291,945,833	82,000,000	1,210,509,723
Other liabilities	28,590,721	28,590,721	28,590,721	-	-
	1,221,797,902	1,613,046,277	320,536,554	82,000,000	1,210,509,723

18. Financial risk management (continued)

(c) Market risk

Market risk embodies the potential for both losses and gains and includes interest rate risk, currency risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the returns on risk.

(i) Currency risk

Currency risk is the risk which arises due to the assets and liabilities of the Company held in foreign currencies, which will be affected by fluctuations in foreign exchange rates. The Company is exposed to movement in exchange rates between USD, its functional currency and certain foreign currencies namely EUR and RUB.

The Company's net exposure to currency risk is shown in the following table:

31 December 2014	**Amount in USD**			
	RUB	**EUR**	**USD**	**Total**
Loans and receivables	81,733,100	-	994,926,267	1,076,659,367
Cash and cash equivalents	-	104,356	26,089	130,445
Other receivables	1,320,606	-	21,851,995	23,172,601
Debt securities issued	(81,733,100)	-	(994,926,267)	(1,076,659,367)
Other payables	(1,320,606)	(35,957)	(21,883,705)	(23,240,268)
Net exposure	-	68,399	(5,621)	62,778

31 December 2013	**Amount in USD**		
	EUR	**USD**	**Total**
Loans and receivables	-	1,193,207,181	1,193,207,181
Cash and cash equivalents	99,669	21,030	120,699
Other receivables	-	28,530,550	28,530,550
Debt securities issued	-	(1,193,207,181)	(1,193,207,181)
Other payables	(60,965)	(28,529,756)	(28,590,721)
Net exposure	38,704	21,824	60,528

(ii) Interest rate risk

Interest rate risk is the risk that the Company does not receive enough interest from the underlying investments to secure interest payments on the Notes. There may be a timing mismatch between payments of interest on the Notes and payments of interest on the financial assets and, in the case of floating rate financial assets, the rates at which they bear interest may adjust more or less frequently, and on different dates and based on different indices than the interest rate of the debt securities.

The loans and receivables of the Company comprise of a loan advanced to Credit Bank of Moscow at a fixed rate of 7.70% per annum, 8.70% per annum and 16.50% respectively which are funded by the issuance of 7.70% Loan Participation Notes due 2018, 8.70% Loan Participation Notes due 2018 and 16.50% Loan Participation Notes due 2025 respectively. Interest on the loan and notes are payable semi annually in arrears.

The maturity date for loans and debt securities issued are 1 February 2018, 13 November 2018 and 26 May 2025 respectively.

At the reporting date, the interest rate risk profile of the Company's financial instruments were:

31 December 2014	**Non-interest bearing USD**	**Fixed rate USD**	**Floating rate USD**	**Total USD**
Loans and receivables	-	1,076,659,367	-	1,076,659,367
Cash and cash equivalents	-	-	130,445	130,445
Other receivables	23,172,601	-	-	23,172,601
Total assets	23,172,601	1,076,659,367	130,445	1,099,962,413
Debt securities issued	-	1,076,659,367	-	1,076,659,367
Other payables	23,240,268	-	-	23,240,268
Total liabilities	23,240,268	1,076,659,367	-	1,099,899,635
Net exposure	(67,667)	-	130,445	62,778

18. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

31 December 2013	Non-interest bearing USD	Fixed rate USD	Floating rate USD	Total USD
Loans and receivables	-	1,193,207,181	-	1,193,207,181
Cash and cash equivalents	-	-	120,699	120,699
Other receivables	28,530,550	-	-	28,530,550
Total assets	28,530,550	1,193,207,181	120,699	1,221,858,430
Debt securities issued	-	1,193,207,181	-	1,193,207,181
Other payables	28,590,721	-	-	28,590,721
Total liabilities	28,590,721	1,193,207,181	-	1,221,797,902
Net exposure	(60,171)	-	120,699	60,528

(iii) Price risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its Company or all factors affecting all instruments traded in the market.

Other price risks may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

The Company is not exposed to significant price risk.

(iv) Sensitivity analysis

Loans and receivables and the debt securities issued bear the same rate of interest and are denominated in the same currency, USD and RUB. Consequently, interest rate and exchange rate changes have no net impact on the profit or the net assets of the Company and, as such, no sensitivity analysis has been performed for 2014 and 2013.

(d) Fair values

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted market prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category included instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instruments' valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date.

The financial instruments not measured at fair value through profit or loss are the financial assets and financial liabilities whose carrying amounts approximate fair value.

The following table sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorised.

Notes to the financial statements (continued)
For the year ended 31 December 2014

18. Financial risk management (continued)
(d) Fair values (continued)

	2014			
	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Cash and cash equivalents	130,445	-	-	130,445
Loans and receivables	-	832,735,115	-	832,735,115
Other receivables	-	23,172,601	-	23,172,601
	130,445	855,907,716	-	856,038,161
Financial liabilities				
Debt securities issued	-	832,735,115	-	832,735,115
Other payables	-	23,240,268	-	23,240,268
	-	855,975,383	-	855,975,383

	2013			
	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets				
Cash and cash equivalents	120,699	-	-	120,699
Loans and receivables	-	1,171,250,000	-	1,171,250,000
Other receivables	-	28,530,550	-	28,530,550
	120,699	1,199,780,550	-	1,199,901,249
Financial liabilities				
Debt securities issued	-	1,171,250,000	-	1,171,250,000
Other payables	-	28,590,721	-	28,590,721
	-	1,199,840,721	-	1,199,840,721

Cash and cash equivalents classified as Level 1 are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents includes deposits held with banks that are readily available and have no restrictions associated with their balance.

Trade and other receivables and trade and other payables have been classified under Level 2 due to their short term nature as the carrying values approximate the fair values. The fair value of the notes is calculated using quoted prices from Bloomberg and are deemed to be within level 2 of the fair value hierarchy. Given the structure of the entity, in the opinion of the Directors, the fair values of loans and receivables is deemed to equate to that on the corresponding notes in issue as the market price of the Notes took into consideration the credit rating of Credit Bank of Moscow. The fair values are within level 2 of the fair value hierarchy.

19. Accounting classification and fair values of the financial assets and liabilities

	Amortised cost 31-Dec-14	Fair value 31-Dec-14	Amortised cost 31-Dec-13	Fair value 31-Dec-13
Assets	USD	USD	USD	USD
Loans and receivables	1,076,659,367	832,735,115	1,193,207,181	1,171,250,000
Cash and cash equivalents	130,445	130,445	120,699	120,699
Other receivables	23,172,601	23,172,601	28,530,550	28,530,550
	1,099,962,413	856,038,161	1,221,858,430	1,199,901,249
Liabilities				
Debt securities issued	1,076,659,367	832,735,115	1,193,207,181	1,171,250,000
Other payables	23,240,268	23,240,268	28,590,721	28,590,721
	1,099,899,635	855,975,383	1,221,797,902	1,199,840,721

20. Capital risk management
The Company views the share capital as its capital. Share capital of €40,000 was issued in line with Irish Company Law and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

21. Subsequent events
There have been no significant subsequent events up to the date of signing this report that require disclosure or adjustment to the financial statements.

22. Approval of financial statements
The Board of Directors approved these financial statements on 17 April 2015.