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в 1973 году

ANNUAL REPORT
2014



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Appeal of the bank's management

Dear shareholders, partners and clients!

Last year was a period of significant events and examinations for all of us. Deep changes took place in the economy of our country and in the banking sector.

It is a difficult period, while which we can evaluate the far sightedness of our purposes and tasks.

By increasing trends to reduce the growth rates of the Russian economy the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) kept developing dynamically in 2014, choosing the way of financial stability, rise in profitability, effectiveness and reliability. In spite of tough time we move forward with confidence, learning the lessons of time, which make us more experienced and stronger.

During the last financial year the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) continued its progressive development, augmenting its potential and strengthening its positions in the banking sector. The increase on key performance indicators confirmed the correctness of the chosen direction, which includes strengthening of positions in strategically important business areas.

For the year the assets increased and amounted to 36 bln. rubles. The equity of the Bank reached almost 5.3 bln. rubles. The net profit of the Bank amounted to 400 mln. rubles. The advances portfolio increased to more than 2.7 bln. rubles.

During the whole year the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) not only has been setting tasks before itself to expand the range of offers for clients, but also initiating new projects, which key purposes are to provide actual banking products combined with qualitative and comfortable service.

The responsibly chosen work strategy, reasonable client policy, aimed at inception of modern services, permanent renovation of range of services continue to be integral parts of our business also in the new year 2015. Developing as a universal credit institution the Bank provides its clients qualitative and operative service. We aspire to offer clients the financial service, which combines a wide variety of banking products of high quality and flexible tariff policy.

In 2015 the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) will keep moving on the way of accretion, considering the market dynamics in the top-priority areas and orienting to increase the business profitability. At the same time we look forward to maintain all advantages for our clients, offering market prices in combination with high reliability, economic feasibility and transparency by relationship building. Further we aim not only keep, but also uphold our positions in the Russian banking sector.

We appreciate the efficient teamwork of all Bank partners and the given credence by our clients. We hope that our further cooperation will be more appreciable and mutually profitable.

Chairman of the Management Board D.A. Yakovlev



President G.I. Dubinkina



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General information on the Bank

JOINT-STOCK BANK "INTERPROGRESSBANK" (CLOSED JOINT-STOCK COMPANY) incorporated in 1973.

License to carry out banking operations of physical and legal entities with facilities in rubles and foreign currency:

№ 600 of 04.11.2002

Certificate on inclusion of the Bank into the in the Obligatory Insurance System Participating Banks Register:

№ 700 of 24.02.2005

**License of a Professional participant of the securities market for carrying out:
dealer activity**

№ 177 - 02841 - 010000 of 16.11.2000 broker activity

№ 177 - 02801 - 100000 of 16.11.2000

custody business (without limitation as on period of validity)

№ 177 - 03170 - 000100 of 04.12.2000

FSB (Federal Service of Security) License to develop, product, distribute encryption (cryptographic) tools, information systems and telecommunications:

№ LSZ 0006365 of 10.08.2012

JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC) IS:

- Member of the Russian Bankers' Association (RBA)
- Member of the Moscow Bankers' Union (MBU)
- Associated Member of the International Payment System Visa International
- Associated Member of the International Payment System MasterCard WorldWide
- Professional securities market participant
- Participant of the Open Joint Stock Company Moscow Exchange MICEX-RTS
- Participant of the deposit insurance system



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Structure of the Bank's management

BANK'S BOARD OF MANAGEMENT:

Chairman of the Management Board

Dmitry Alexandrovich YAKOVLEV

President

Galina Ivanovna DUBINKINA

First Deputy Chairman of the Management Board

Mikhail Yuryevich SAVINYKH

Deputy Chairman of the Management Board

Tatiana Igorevna MIHEEVA

Deputy Chairman of the Management Board

Sergey Igorevich PRONIN

Director of the Legal Department

Oleg Stanislavovich KORCHAGIN

**BOARD OF DIRECTORS:****Chairman of the Board of Directors**

Nikolay Alexandrovich SOBOLEV

Members of the Board of Directors

Aleksey Andreyevich KRAPIVIN

Valery Anatolyevich MARKELOV

Yuri Vasilyevich OBODOVSKY

Elena Anatolievna USHEROVICH

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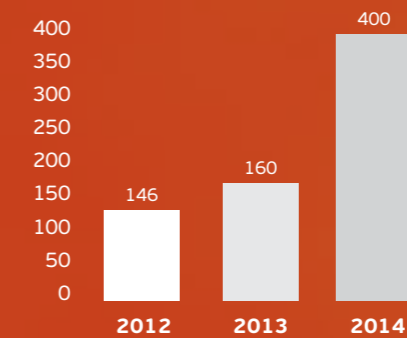
Key financial indicators

Difficult circumstances of the external economy still have a restraining influence on the Russian economic growth. The year 2014 was characterized by escalation of geopolitical risks, caused on the one hand by the Ukraine crisis and sanctions confrontation with the West and on the other hand by significant fall in oil prices. The degradation of the external-economic situation led to a lower in comparison with the expected Russian GDP growth rate, weakening of ruble, growth acceleration in consumer prices and increasing risks in financial stability.

In spite of increasing trends of significant deceleration in the Russian economy growth the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) kept developing dynamically. During the whole year 2014 the measures were taken to develop client base, build up proprietary funds and reach the highest business performance within the system "liquidity – profitability – capitalizing".

The Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) activity for 2014 resulted in netting out 400 mln. rubles, which is 2.5 times more than the analogic indicator for the previous accounting period. The increase of net profit of the Bank was caused mainly by growth of net interest yields and increase of net fee and commission income against the background of increased costs of securities transactions and low increase of operational costs of the Bank.

Net profit of the "INTERPROGRESSBANK" (CJSC) mln rub.



The main contribution to increase of net interest yields (49% more in comparison with 2013) was made by increase of interest margin on placed funds to loans for legal entities and increase of loan indebtedness of legal and physical entities. More than double increase of net fee and commission income in 2014 was mainly stipulated by successful implementation of the project on developing of payment terminal networks of the Bank both in Moscow Region and St. Petersburg.

The Increase of costs of negative revaluation of securities was resulted by increase of key interest rate by the Bank of Russia against the background of crisis developments growing in the Russian economy. In respect of high reliability of emitters and short term before redemption of securities in the Bank's portfolio, the full recovery of negative revaluation is expected already in 2015.

The increase of operational costs during the accounting period was mainly stipulated by growth of staff costs on the background of increase of Bank's staff involved into realization of new business projects.

In 2014 the high efficiency of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) was stipulated by such kinds of financial activity as credit provision of the real economy, fulfilling transactions with foreign currency, investing in state and corporate securities, operational servicing of legal and physical entities, including use of high technological electronic banking systems.

As on 1st January, 2015 the funds obtained from legal and physical entities considering issued debts amounted to 30.6 bln. rubles. In spite of some deposit decrease of physical entities in December 2014 this indicator is 5% higher than as on 1st January 2014. The decrease of period resources of physical entities mainly affected currency deposits caused by fears of exchange controls and restrictive guidelines for capital flow. In the beginning of 2015 by some stabilization of macro-economic situation it was succeed to take back all clients, who had placed their cash in the Bank.

The assets of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) excluding depreciation reserve (net assets) as on 01.01.2015 increased by 3% against the previous year and absolutely amounted to 36.0 bln. rubles.

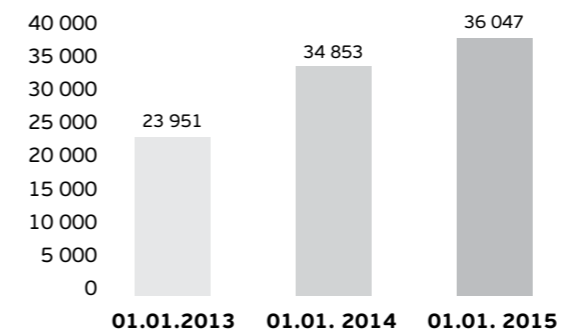
In the Bank's assets structure the key part (61%) is loan indebtedness. As on 01.01.2015 it amounted to 22.1 bln. rubles, that is 12% more than the previous accounting date. The main borrowers of the Bank are credit worthy companies, which are financed by the state budget and high-reliable credit organizations.

A significant part of the Bank's assets (13%) is funds placed in credit organizations. The invests into credit organizations absolutely decreased by 4.3 bln. rubles and amounted to 4.8 bln. rubles as on 01.01.2015. Mainly the invests are placing in correspondent accounts of banks of developed countries and TOP-30 high-reliable financial and credit organizations of Russia. An essential part of net assets (13%) has been invested into highly liquid securities with low risk. As on 01.01.2015 the total securities portfolio amounted to 4.8 bln. rubles, having increased by 53% in comparison with the previous accounting date, that absolutely amounted to 1.7 bln. rubles.

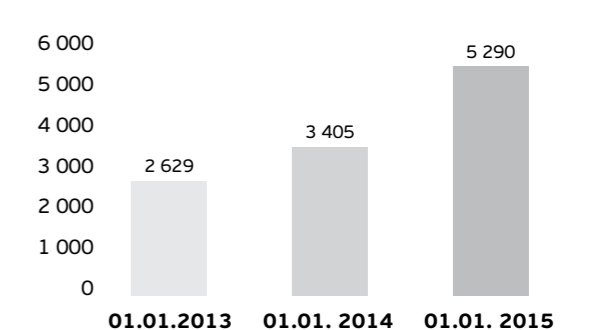
Increase of the Bank equity is one of the most preferred goals for further development of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) as a universal financial and credit institution, which provides services both for small and medium-sized enterprises and for individuals. In 2014 the Bank kept successfully fulfilling the program for increasing the Bank's equity by obtaining subordinated loans and capitalizing current income.

In December 2014 the Bank of Russia registered a subordinated loan for 1 628 million rubles. As on 1st January 2015 with respect of obtained subordinated loan the equity of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) amounted to almost 5.3 bln. rubles, that is more than 55% more as the equity on 1st January 2014.

**Net assets of the
"INTERPROGRESSBANK" (CJSC)
mln rub.**



**Equity of the
"INTERPROGRESSBANK" (CJSC)
mln rub.**



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Corporate business

The work with corporate clients is traditionally one of the key courses of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) activity. The Bank has reputation as a financial institution, which offers the full range of high-quality products.

Due to conservative policy and trust-based relationships with the clients the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) made a margin of safety and continued to develop actively the corporate business in spite of negative trends in the economy in the second half 2014 and an increased competition of state banks. As result the capital of corporate banks by the end of 2014 amounted to 19.3 bln. rubles showing the growth by 22.8% against the beginning of the year.

During the accounting year it was fulfilled a consistent work to develop relationships with existing partners. The Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) also kept extending the diversification of its client base, in first line through small and medium-sized enterprises. In purposes of realization of this strategy it were used such aspects as attractive products and services terms, professionalism of the team, increase the level of services, operational efficiency and individual attention to solving of specific problems of the clients.

The key corporate business development directions in 2014 were:

- increase of the Bank's clients number;
- increase of the Bank's income while working with minimal margin;
- increase of part of non-interest income and development of products, which bring commissions and fees;
- buildup of credit portfolio through working with reliable borrowers, increase of its profitability;
- monitoring of credit portfolio's quality.

In 2014 the client base became larger. The client base is characterized by increasing part of active clients in the general structure that says about its higher quality. The sectorial structure of clients did not change essentially: enterprises of trade, services, building and transport are still prevalent there.

Products insight by client base during 2014 also demonstrated positive dynamics, although it was moderate, that says about significant potential for further growth.



In 2014 the products offer did not change. There were such banking services and products available for clients as credits, placing temporary free funds (on deposits, on accounts with minimum required balance), settlement and cash services, salary project management, acquiring, corporate cards, documentary operations, warranties, conversional operations, currency control, encashment, payment acceptance from physical entities on agreements with services providers, online banking.

Key corporate business development directions in 2015:

- Further cooperation development with existing clients and increase of their loyalty;
- Attracting new clients and saving the business diversification indicators by client sectors;
- Development of work with small and medium-sized business clients;
- Increase of funds obtained of corporate clients;
- Operational efficient control of credit portfolio in accordance with circumstances of the market;
- Increase of non-interest income;
- Improving of sales system organization;
- Development of services and corporate clients support technologies in purposes of increasing the quality of services and costs optimization.

Against the backdrop of crisis the future corporate business growth of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) will significantly depend on maintenance and increase of the client base. To that effect the Bank is planning to concentrate its efforts on further increasing of business projects efficiency including sales and interaction with clients as well as to start new products developed with regard to deep understanding of clients' needs.

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Retail business

Retail business is a strategically important direction of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) activity. The retail sector is regularly developed through increase of profitability and volume of credit portfolio as well as improvement of bank card services infrastructure.

In 2014 the Bank began to fulfill actively the sector-oriented concept by the development of retail business. The clients of each branch receive quotations that respond highly their requirements, expectations and preferences. That particular is the purpose of retail business for the near future.

The most significant results of the retail business at the end of the accounting year are following:

- Increase of credit cards emission;
- Growth of charging volume through salary accounts;
- Increase of net commission profit;
- Growth of bank cards transactions volume;
- Increase of transactions volume through ATMs;
- Development of ATM network and trade acquiring services.

DEPOSITS

A significant direction of the Bank's retail business is attraction of financial resources of private clients. This resource is one of active operations key funding sources.

In 2014 the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) continued to work with physical entities using such tools as creation of new deposit products, changing of deposit interesting rates and updating of technological basis. By pursuing the reasonable price policy, which responded the conjuncture and key trends of the market, the Bank continually corrected the interest rates on physical entities' deposits.

During the previous year a deposit product line was optimized and new deposit types "Maximal Interest Rate", "New Year's 2015" were entered, a temporal campaign "Card In Currency As a Present" was conducted for salary cards holders.

In order of improvement in service in 2014 the clients was allowed a new service for depositors "Information services on deposit". This is a simple and comfortable way to get information about accrued interest and cash balance through SMS.

As results of work the Bank took the 27th place in the RBC rating "The Best Deposit Interesting Rates In Rubles For 1 Year". The Deposit "Capital" entered into TOP-20 of "The Best Deposit Interesting Rates In Rubles For 1 Year", which was composed by the agency "RBC.Rating" in May 2014.

In 2015, the purpose of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) is to maintain the retail funds part in the liability structure of minimum 60%. In this connection, the work with potential depositors will be continued, and that must realize citizens' deposit gains not lower than market average level.

The activities on private clients' deposit gains in 2015 will be concentrated on operations possibilities improvement through all channels of online sales and deposit operations accessibility improvement. There are planned new options for clients on interest capitalization, particular deposit cashing and addition as well as attractive interest rates for clients.

BANK TRANSFERS

The Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) develops actively its services on private client's cash transfers. Now our clients can make transactions in each Bank's office. This service is available in partnership with such payment systems as Western Union and Golden Crown.

BANKCARDS

The business based on bankcards is the main driver of cross-sales development in the retail business. A bankcard is a tool for increase of number of bank products provided for each client. Accessibility of financial services for citizens is provided by infrastructure development and distance sales methods improvement, particularly through Internet-Bank, ATMs, payment terminals.

During the accounting year, the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) kept developing this business course. 7 000 bankcards were emitted per year. The total number of current cards as on the 1st January, 2015 amounted to 25.7 thousand.

The credit product Visa Platinum Cash Back tool the third place in the TOP-10 of the most profitable credit cards with the function Cash Back in 2014, which was made by experts of financial holding the Federal Finance Group.

In 2014, the own Bankcards Personalization Centre was established. The new service was certified by payment systems Visa and MasterCard, which approved the accordance of cards emission by the Bank with the quality standards and security requirements. The own Personalization Centre allowed to cut the terms of cards emission for clients significantly and provided a possibility to incept modern service technologies with high operative efficiency.

Since October 2014, a new security monitoring system on bankcards was introduced. It automatically allows to analyze the cards transactions 24 hours and to discover suspicious operations in order to prevent and minimize possible financial losses of clients.

The retail business development strategy for 2015 includes active improvement of bankcards as the most flexible and marginal financial tool. The intensification of value offer will be oriented to various categories of clients: those, who would like to collect the funds, who would like to get profit from turnover on card, and active travelers.

AUTOMATIC TELLER MACHINES (ATM)

In 2014, the Bank developed actively its ATM network. As on 21st January, 2015 the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) ATM network amounted to 121, including 17 machines with the function cash-in. The united ATM network with respect to partners of the payment system GPS (Global Payment System) amounted to more than 40 000 throughout the Russian Federation.

In 2014, new financial services were introduced: cash transfers MasterCard MoneySend between the cards of each Russian bank, cashless payment for traffic fines, payments for Moscow parking.

During the accounting year more than 1 million transactions were made through ATMs. Operational turnover of the ATM network in 2014 amounted to more than 7.9 bln. rubles, which is 30% more than the previous indicator.

Further development of new ATM services is planned for 2015.

ELECTRONIC PAYMENTS AND TECHNOLOGIES

In 2014, the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) continued to develop actively the direction banking electronic payments. There were made works on payment terminals network improvement, perfecting of software and realization of new IT-products in electronic commerce.

The preferred course of payment terminals network development - domination of special services in the state sector and their addition through retail and commercial products - was true and reasonable. As on beginning of 2015 the payment terminals network of the Bank amounted to more than 700. The footprint includes Moscow, Moscow Region, St. Petersburg, Leningrad Region, Nizhniy Novgorod, Samara and Samara Region. The turnover of terminals network for 2014 amounted to 2.9 bln. rubles, more than 4 mln. transactions were made.

The successful development of payment terminals was supported by continual perfecting of software with high respect to requirements and wishes of partners and clients.

Advanced directions of activity in the sector of banking electronic payments is further development of payment terminals network in the European part of Russia as well as realization and introducing of Internet-acquiring technologies.

TRADE ACQUIRING

In 2014, the Bank continued to develop the trade acquiring service. The total turnover on operations in partner trade and services corporations amounted to 1.3 bln. rubles, and number of transactions was more than 460 thousands. The common increase of trade operations during the period amounted to more than 15%.

In 2014, there were introduced new services Internet-Acquiring for legal entities and new service for express-settlements of cash repayment per 1 day. The clients were offered new MasterCard PayPass and VisaWave non-contact bankcards service technology.

OPERATIONAL OFFICES

For service quality increase there were developed new standards of service operations for employees of operational offices.

There were introduced demanding standards of merchandizing in the offices. In order to evaluate the service level and responding of departments formation to the approved requirements, there is conducted an investigation according to the method "Secret shopper", which allows to get information about the network operation quality.

INTERNET-BANK

The Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) pays much attention the development of modern technologies and quality of client services. In 2014, there were finished works on testing and introducing the own distance service system. Physical entities were offered a new Internet-Bank IPB-Online. It is a safe and comfortable way for full overseeing and control of cash 24 hours and 7 days a week.

The new service fulfills the following tasks: cash transfers, currency exchange, credit repayment, addition to the deposit, payment for services, setting up account statements etc.

Special focus is on safety of operations – all transactions are made in secure mode and confirmed by SMS-passwords.

The functionality of the new Internet-Bank will be added continually by new services in 2015 and its possibilities will be improved in the closest time.

THE MAIN PURPOSES OF THE JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC) RETAIL BUSINESS IN 2015:

- maintenance and strengthening positions in all directions of banking retail, increase of credit and deposit portfolios as well as growth of non-interest income of the Bank;
- sales technology perfecting;
- maintenance of retail credit portfolio quality;
- development and supporting of long-term relationships with clients and partners of the Bank;
- providing of high financial and operational efficiency indicators;
- approving of employees' communicative behavior common standards in work with retail clients;
- refocusing of employees motivation system into bonuses for qualitative sales;
- training of the head-on Bank departments employees in special program "Retail Business Sales".

7

Loan services

Pursuing the purpose of effective strategic development, the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) continued its activity in the area of loan services.

Under the corporate business development the client base of the Bank was added by large and famous on the Russian market companies that allowed increasing the credit portfolio through loan services to reliable and financially sound borrower.

There is conducted active and mutually profitable work on improvement of cooperation with the clients, which already have credit reputation in the Bank.

By risks evaluating, the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) gleans and analyzes the information not only about the borrower, but also about its key partners – clients, suppliers. This allows following the steady principle "know your client" and provides an opportunity to improve the client base including reliable borrowers through attraction well-established companies – partners of current clients of the Bank.

By working with its clients the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) orients to building long-term and mutually profitable partnership, highly evaluating timeliness of fulfillment of obligations by clients. From its own side the Bank aspires to show the highest loyalty to long standing partners, satisfaction of their needs and requirements, without aspiration to one-time profit. In case of any difficulties by borrower, the Bank in conjunction with the client tries to develop a plan of way out with respect to interests of each party. This approach provides forming qualitative credit portfolio, a pool of loyal and reliable clients as well as minimum troubled debt.

LOAN PORTFOLIO VOLUME

Keeping acceptable level of risk, following conservative policy, respecting politic and economic situation in the country, the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) managed to increase the volume of loan portfolio. Special focus was on diversification of loan portfolio, which conduced to decrease of sectorial risks by maintaining its reliability and quality.

LOAN PORTFOLIO QUALITY

By analyzing borrowers and loan portfolio in total special focus is on financial growth indicators and assets quality. Adequate risks evaluation, reasonable credit policy and regular clients communications are recipe for successful development and maintenance of loan portfolio high quality.

In spite of difficult economic circumstances, increase of interest rates and conservative borrower creditworthiness assessment methodic, in 2014 all clients implemented their obligations against the Bank timely and in full. This shows high quality of portfolio and correctness of preferred course concerning choice of partners.

LOAN PORTFOLIO VOLUME

Reasonable approach to forming of credit portfolio delivered significant results. In 2014 the credit portfolio of the Bank increased by more than 2.7 bln. rubles with respect of issued warranties and open credit limits for legal and physical entities. In this case a part of troubled credits is 2.1%, and it is estimated by the Bank that the most of them were caused by temporary difficulties from the side of borrowers and will be repaid.

The St. Petersburg branch began its work actively and fruitful. As on 01.01.2015 its credit portfolio amounted to 881 million rubles. There are companies credited in the branch, which already have reputation of reliable partners both from St. Petersburg and other cities' markets, including countries of the near abroad. They approved themselves as solid and creditworthy borrowers, which have positive credit histories in other banks. At the moment, most of them transfer their turnovers into the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC), providing by that further growth of both stable liabilities and reliable assets of the Bank.

There is planned a new phase of realization of strategic purposes on increase of credit portfolio for 2015, which includes modernization of current credit risks evaluation system and granted credits administration.

There is planned improvement of product range. There are developed packet solutions, which allow the clients to use the highest number of products offered by the Bank with minimum costs.

In 2014 the following notable results in realization of the following purposes:

- increase of credit portfolio marginality through development of the most profitable credit products, attracting clients to the Bank for services and loan services both large and small and medium-sized business clients, physical entities;
- diversification of credit portfolio (by credit products, client sectors and economic branches);
- decrease of the largest borrowers concentration;
- improvement of security of credits by guarantees indicator;
- optimization and increase of operational efficiency through active work in a part of automation of certain loan services processes, requests examination and solutions procedure.

LOANS TO CORPORATE CLIENTS

As results of 2014 the credit portfolio of legal entities is characterized by the following indicators:

- total debt as on the end of 2014 on credits and credit lines, granted to legal entities amounted to almost 18 bln. rubles, which is 30% more than at the beginning of the year;
- the portfolio of issued warranties increased by 20% and as on 01.01.2015 amounted to 1.6 bln. rubles;
- the part of credits granted to first class borrowers classified in accordance with requirements of Central Bank of Russia into first, second and third quality category amounted to 87.3%;
- the part of loan arrears of legal entities amounted to just over 1% of the total legal entities credit portfolio and credit portfolio in total.

By approval and opening of credit limits, the Bank holds the position of keeping the credit portfolio liquid structure. Terms and conditions of loan services are defined individually for each client with respect of targeted use of resources, real perspectives and opportunities of the borrower for credit repayment.

SMALL BUSINESS LOAN SERVICES

The strategic purpose in small business loan services for 2014 was to develop actively of this sector operation, namely: increase of client base, improvement of business relationships with current clients and development of credit products in order to satisfy the needs of clients and increase the commission income.

With respect of set purposes there was formed an effective employees team, modernized a range of credit products for clients from small and medium-sized business sector, activated sales via additional offices, optimized the organizational model of prepare and examination of credit requests.

As result of product range modernization it was appearance of standard products, which respond highly to the needs of targeted sector. The Bank offers credits for various purposes:

- working funds financing;
- real property purchase;
- business development;
- fixed asset acquisition, for example motor transport, equipment etc.

Loan services types range includes:

- overdraft;
- credit without security under surety of owners of business and/or other legal entities;
- bank warranties and etc.

It is planned further development of small and medium-sized business clients' loan services. As result of the planned measures it is expected a significant increase of credit portfolio by unchanged maintenance of its quality on acceptable risk level.

LOANS TO INDIVIDUALS

In accordance with strategic purposes in 2013-2014 there was accentuated development and promotion of retail credit products.

During the mentioned period the Bank managed to carry out all important actions, which were necessary for retail loan services development:

- credit products range, which responds to all needs of clients, was significantly extended;
- special focus was on optimization processes and increase of quality grade of services for clients/borrowers;
- it was introduced and used actively a scoring system, which allows analyzing the incoming applications quickly and qualitatively;
- it were fulfilled a mortgage credit program for real property purchase both on the secondary market and in projects under construction;
- it were made visits at the companies under payroll card program in order to familiarize the employees with terms of loan services for products developed specially for them and comfortable (in off-work hours) execution of credit documents;
- it were arrangements reached with a number of corporate clients about development of special credit products for them;
- it is work in progress in the part of credit products and services granting via plastic cards.

In 2014 such credit products were developed and introduced as:

- "Personal Solution" – for employees of partner corporations;
- Mortgage products for various borrower categories – "Key to a Dream", "Reliable Mortgage", "Mortgage.ipb", "Friendly Mortgage";
- "Kitchen for Pleasure" – for clients from the factory "Medyn" (CJSC "Moscomplectmebel"), who wish to purchase the production of the company with the involvement of the Bank's credit.

The result of activities in 2014 was increase of physical entities credit portfolio by 45%. It is to note that first since more than 40 years history the total credit volume granted to physical entities exceeded 2 bln. rubles.

The clients note not only profitable loan services conditions within current products, but also quality and service and decision-making time.

In 2015 one of the key priorities of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) will be increase of service quality and decision-making time on incoming applications on physical and legal entities loan services with maintenance of acceptable risk by granted credits.

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**Currency control
and international settlements****THE KEY DIRECTIONS OF THE CURRENCY DEPARTMENT'S ACTIVITY ARE:**

- establishment of relations with banks;
- correspondent accounts opening and management in rubles and foreign currency;
- client and banking payments making in foreign currency;
- monitoring over currency transactions and currency law compliance.

THE JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC) IS A MEMBER OF SWIFT (SOCIETY FOR WORLDWIDE INTERBANK FINANCIAL TELECOMMUNICATION). THAT PROVIDES OPERATIVE EFFICIENT AND SAFE TRANSFER OF FINANCIAL INDUSTRY MESSAGES ALL OVER THE WORLD AND GUARANTEES HIGH QUALITY AND SPEED OF SETTLEMENTS.

For settlements in foreign currency there are used primary corresponding accounts in the banks Deutsche Bank Trust Company Americas, NY and Deutsche Bank AG, FF.

Being an agent of currency control and having many years' experience, the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) carries out its assigned by the current legislation duties to oversee currency over all typed of client's currency transactions, it also informs them about changes in the current currency legislation and renders assistance:

- on the stage of external trade contracts signing and in any phase of their realization including difficult and irregular situations investigation;
- by executing of transaction passports and settlement documents for currency transactions as well as currency control documents;
- concerning the accordance of currency transactions and contracts to the current legislation in order both to prevent breach of currency legislation and by other problems of currency regulation and currency control.

The system "Client-TeleBank" provides to the clients a possibility to transfer the currency control documents (transaction passports, certificates of currency operations, certificates of documentary evidences etc.) in electronic form. That allows currency transactions without visiting the Bank's office.

THE CURRENCY DEPARTMENT OF THE JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC) USES ALL POSSIBLE RESOURCES SO THAT THE CLIENTS COULD FEEL RESPECT AND ATTENTION TO THEIR NEEDS AND BY THE CURRENT ECONOMIC SITUATION THEY COULD NOT ONLY SANE, BUT ALSO STRENGTH THEIR MARKET POSITIONS.

For further successful activity on the external economic market the Bank plans to perfect its long-term cooperation mechanisms with clients and partners basing on high client services quality, efficient use of banking technologies and efficient internal processes.

9

Financial market transactions

IN 2014 THE JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC) WAS AN ACTIVE PARTICIPANT OF THE RUSSIAN FINANCIAL MARKET MAKING TRANSACTIONS IN ALL ITS SECTORS. THE BANK MADE DEALS ON EXCHANGING AND NON-EXCHANGING MARKETS. IT OPERATED BOTH AT ITS OWN RESOURCES AND ON BEHALF OF THE CLIENTS.

With purpose of minimalizing of income, with maintenance of predetermined and economically reasonable risks and maximally extended services range, which respond to clients' needs, in 2014 the Bank made the following operations:

- obtaining and investment of funds on the interbank credit market;
- operations on obtaining and investment of funds with the Central Bank of Russia;
- exchange and non-exchange conversion operations on Russian and international markets;
- SWAP currency operations;
- urgent operations on the currency market;
- conversational operations with currency in cash;
- operations of classic and reverse repo with stocks and obligations;
- operations on the securities market aimed at the Bank's portfolio optimization;
- arbitrages and deals in behalf of clients;
- urgent operations on the securities market.

During the accounting year the investments into debt securities became to one of the key directions of financial resources deposition. The Bank holds consistently to conservative approach concerning securities portfolio forming, keeping high requirements to financial tools. The extremely high volume in the securities portfolio is filled by ruble obligations of reliable emitters, which are in the Lombard list of Central Bank of Russia.

Permanent monitoring of politic and economic situation changes in internal and international financial markets allowed the Bank to control operatively both its financial flows and investments in various market sectors and the level of accepted risks.

Having established strong partner relations with Russian and international partners, the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) recommended itself as a reliable and highly professional operator for temporarily surplus short resources control in the international market.

Development of conversional operations sector is based on the following principles:

- flexible currency policy by providing low level of risks;
- optimal use of exchange-traded liquidity, liquidity of interbank market and operations with Central Bank of Russia in order to provide better prices of arbitrages, deals of the Bank's clients and SWAP operations;
- providing to counterparty banks and the Bank's clients (both physical and legal entities) attractive and highly comfortable conditions for work.

10

Regional development of Bank's network

ONE OF THE KEY DIRECTIONS OF THE JOINT-STOCK BANK "INTERPROGRESSNANK" (CJSC) ACTIVITY IN 2014 WAS ACTIVE WORK ON BANK'S NETWORK DEVELOPMENT IN THE BIGGEST RUSSIAN CITIES: MOSCOW AND ST. PETERSBURG.

During this period the bank's network structure became more modern responding the clients' needs. By this there are kept and improved the possibilities of qualitative service for corporate clients, representatives of small and medium-sized business.

The Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) has chosen an intensive strategy of regional network development, which is subject to image and marketing purposes and sets a purpose of high economic return from the funds invested into extending of territorial presence.

During the previous year it was introduced a common operational model of departments operation, which includes the following key actions:

- assignment of operational functions to the employees of additional offices connected with sales and services (on the level of key performance indicator);
- organizing of continuous process of sales and retail clients service providing;
- unification and standardization of all processes, products and network reglements operation;
- optimization of processes in outlet points.

Forming of common operational model enabled to increase the client traffic, sales volume and client satisfaction. The presence of scalable platform provided business growth and release of work resources in order to reach the planned purposes.

Within progressive business development and in order to increase the Bank's share of voice in 2015 it is planned to open new additional offices in the Moscow Region and make differentiating and optimization of working subdivisions' formats. The current network is suggested to be added by mini offices, which will be located in small rooms with principally comfortable location and high clients flow.

It is planned to create VIP-offices for the most active and affluent clients. In order to provide the required services quality these offices will be in comfortable locations providing extended services range.

Optimization of additional offices formats includes not only cutting of unprofitable subdivisions, but also complex of actions, which may include changing of office's type of work, improvement of marketing actions, change of working hours, increase of specialists' qualification, perfecting of employees' motivation system, correction of banking products range and tariff policy.

Further differentiation of offices' formats into large and small will allow the Bank using the network model "Hub&Spoke" (base office and satellite offices), which will provide benefits in area coverage and centralization of many auxiliary functions.

11

Infrastructure. Staff

THE STAFFING POLICY OF THE JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC) IS ORIENTED TO FORMING OF HIGHLY QUALIFIED STAFF, WHICH IS ABLE TO PROVIDE LONG TERM TRUST-BASED RELATIONSHIPS WITH CLIENTS. CREATION OF STABLE, HIGHLY PROFESSIONAL, MOTIVATED TEAM WAS THE PREFERRED DEVELOPMENT COURSE IN 2014.

Perfection of manpower planning, financial incentives of employees, development of social policy and consolidation of corporate culture was and is the most important course of the Bank's staff policy.

A strategic course in the HR management is an image reinforcement of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) as a reliable employer, which provides stability and confidence to its employees in future.

The main purpose of the Bank's staffing policy is creation and development of HR management system based on administrative methods, economical motivations, social warrantees and realized in accordance with efficient corporate management principles.

In 2014, within human resources policy of the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) the main efforts were focused on optimization of organizational structure and strengthening the Bank's staff as well as professional skills development and improvement of staff's qualification implementation.

TRAINING OF EMPLOYEES

In purposes of employees training and education the training system in the Joint-Stock Bank "INTERPROGRESSBANK" (CJSC) is continuously perfected, by which each employee can develop their skills and share their experience with newcomers.

The main purposes of the Bank's staff policy in the future year 2015 remain:

- development of staff professional training system;
- support of corporate motivation programs for employees;
- improvement of corporate culture;
- social assistance for the Bank's employees.

DUE TO CIRCUMSPECT STAFF POLICY, THERE IS HIGH PERSONAL LOYALTY AND TEAM COHESION IN THE JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC). MANY MEMBERS OF THE TEAM HAVE BEEN IN THE BANK ALREADY FOR SEVERAL DECADES.

12

Information technology

IN 2014 THE JOINT-STOCK BANK "INTERPROGRESSBANK" (CJSC) CONTINUED ITS SYSTEMATIC DEVELOPMENT OF IT INFRASTRUCTURE IN KEY ACTIVITY AREAS.

It was made active work on increase of the Bank's infrastructure information security level with the result that it was developed the modern monitoring structure Zabbix and by 30% updated the technical base of employees' working positions. In order to increase the reliability and decrease the owning cost it was fulfilled the migration of e-mail Lotus from Windows to Linux. There were finished works on connection of the branch and the office in St. Petersburg into the integral IT structure of the Bank.

In the part of internal electronic documents management it was made changeover to "paperless" technology through introducing of payment documents electronic archive.

With growth of physical entities activity a demand for comfortable and accessible services for making payments using bankcards increases. For the highest satisfaction of growing clients' needs there were fulfilled the following projects:

- start of exploitation of Bankcards Personalization Centre. That allowed to transfer the documents issue process into the territory of the Bank and cut the time of their issue ;
- realization of automatic debt repayment processes for cards with grace-period.

Concerning the distance banking in the previous year there was a distance service for physical entities started based on Automatized Banking System (ABS) "UniSAB". Private persons were provided possibilities of online payment for services, control of their bankcards and bank accounts.

Within forming a common credit assembly line in 2014 there was suggested to fill the current base with new credit products – “Personal Solution” and “Kitchen for Pleasure”.

For efficient activity in currency and capital markets custodian the accounting system was introduced, the electronic accounting on operations with currency, securities and promissory notes was significantly automatized.

During 2015 it is planned to continue the work on perfecting of the whole Bank’s infrastructure. The main efforts will be oriented to further perfecting of distance banking services for physical entities in order to improve the accessibility of distance services, extension of list and improvement of provided services quality.

13

Financial statements

BALANCE SHEET (PUBLISHED FORM) AS AT JANUARY 01, 2015

Form code 409806

Quarterly (annual)

kRUB

Item №	Item Description	Data as at reporting date	Data as at reporting date of the previous year
I. ASSETS			
1	Cash	2 258 468	843 863
2	Funds of credit institutions with Central Bank RF	977 499	878 547
2.1.	Statutory provisions	286 042	302 901
3	Funds with credit institutions	4 817 163	9 072 215
4	Financial assets to be evaluated at fair value through profit or losses	0	2 878 322
5	Net loan indebtedness	22 131 961	19 746 257
6	Net investments in securities and other financial assets being available for sale	3 893 033	274 292
6.1	Investments in subsidiaries and associated companies	0	0
7	Net assets in securities held to maturity	934 478	0
8	Current profit tax debt	3 299	10 853
9	Deferred tax asset	19 453	0
10	Fixed assets, intangible assets and inventory	803 969	845 027
11	Other assets	207 793	303 611
12	Assets total	36 047 116	34 852 987

II. LIABILITIES

13	Credits, deposits and other funds of Central Bank RF	2 022 334	2 423 194
14	Funds of credit institutions	0	0
15	Funds of clients other than credit institutions	28 334 330	27 876 744
15.1	Deposits (funds) of individuals and sole entrepreneurs	10 697 585	12 795 781
16	Financial liabilities to be evaluated at fair value through profit or loss	0	0
17	Issued debentures	2 283 273	1 331 352
18	Current profit tax liabilities	0	15 176
19	Deferred tax liabilities	92 328	0
20	Other liabilities	279 727	383 519
21	Credit-related contingent liabilities losses provisions and other offshore residents transactions losses provisions	140 673	115 925
22	Liabilities total	33 152 665	32 145 910

III. SHAREHOLDER'S EQUITY

23	Shareholders (members) interests	1 133 338	1 133 338
24	Treasury shares (interests) bought back from shareholders (members)	0	0
25	Capital surplus	0	0
26	Reserve provision	56 667	26 667
27	Revaluation of securities at fair value available for sale reduced by value of deferred tax liability (increased by the value of deferred tax assets)	-93 732	3 585
28	Revaluation of fixed assets reduced by the value of deferred tax liability	507 772	622 866
29	Retained profit (uncovered losses) of past years	890 632	760 238
30	Unused profit (loss) for the reporting year	399 774	160 383
31	Shareholder's equity total	2 894 451	2 707 077

IV. OFF-BALANCE SHEET LIABILITY

32	Credit institution's irrevocable liabilities	5 763 562	11 272 256
33	Guarantees and suretyships issued by the credit institution	1 481 608	1 089 791
34	Non-credit contingent liabilities	0	0

PROFIT AND LOSS STATEMENT (PUBLISHED FORM) FOR 2014

Form code 0409807

Quarterly (annual)

kRUB

Item №	Item Description	Data for the reporting period	Data for the corresponding period of the previous year
1	Interest income, total, including:	3 127 743	2 370 057
1.1	from deposits in credit institutions	279 090	213 253
1.2	from loans granted to clients other than credit institutions	2 447 610	1 900 091
1.3	from services related to financial lease (leasing)	0	0
1.4	from investments in securities	401 043	256 713
2	Interests expenses total including:	1 701 528	1 412 081
2.1	on funds obtained from credit institutions	225 567	6 473
2.2	on funds obtained from clients other than credit institutions	1 293 365	1 286 112
2.3	on issued debentures	182 596	119 496
3	net interest income (negative interest margin)	1 426 215	957 976
4	provision changes for loan, loan indebtedness and similar indebtedness, deposits on correspondent accounts and interest accrued total inter alia:	-272 199	-43 130
4.1	Accrued interests provision change	-496	719
5	Net interest income (negative interest margin) after establishing loss provision	1 154 016	914 846
6	Net income from financial assets operations evaluated at fair value through profit or loss	-194 266	-57 807
7	Net income from securities transactions available for sale	7 636	-26 326
8	Net income from securities transactions held to maturity	0	0
9	Net income form transactions with foreign currency	279 205	-34 939
10	Net income from foreign currency re-evaluation	-24 773	263 498
11	Income from interests in capital of other companies	0	0
12	Fee and commission income	457 396	239 127
13	Fee and commission expenses	116 273	75 664
14	Provision change for securities available for sale	0	0
15	Provision change for securities held to maturity	0	0
16	Provision change for other losses	-39 513	-83 459
17	Other operating income	13 963	10 262
18	Net income (expenses)	1 537 391	1 149 538
19	Operating expenses	1 024 699	863 568
20	Profit (loss) before tax	512 692	285 970
21	Tax refund (expense)	112 918	125 587
22	Profit (loss) after tax	399 774	160 383

23	Payments on account of profit after tax including:	0	0
23.1	Distributions among shareholders (members) in form of dividends	0	0
23.2	Contributions to provisions to be maintained	0	0
24	Unused profit (loss) for reporting period	399 774	160 383

STATEMENT OF CAPITAL ADEQUACY FOR RISKS COVERAGE, LOANS AND OTHER ASSETS LOSSES AS AT JANUARY 01, 2015

Form code according to OKUD 0409808

Quarterly (annual)

Section 1. Information of capital adequacy

kRUB

Item №	Item Description	Data as at begin of the reporting year	Additions (+) decrease (-) for the reporting period	Data as at the reporting date
1	Own funds (capital), (kRUB), total, inter alia:	3 334 503.0	1 954 473.0	5 289 480.0
1.1	Source of core capital:	2 012 742.0	107 752.0	2 120 494.0
1.1.1	Authorized capital also formed by:	1 133 338.0	0.0	1 133 338.0
1.1.1.1	ordinary shares (interests)	1 133 338.0	0.0	1 133 338.0
1.1.1.2	preferred shares	0.0	0.0	0.0
1.1.2	capital surplus	0.0	0.0	0.0
1.1.3	reserve provision	26 667.0	30 000.0	56 667.0
1.1.4	Retained profit:	852 737.0	77 752.0	930 489.0
1.1.4.1	of last years	760 238.0	129 164.0	889 402.0
1.1.4.2	of reporting year	92 499.0	-51 412.0	41 087.0
1.2	items decreasing sources of core capital:	0.0	1 759.0	1 759.0
1.2.1	Intangible assets	0.0	352.0	352.0
1.2.2	Deferred tax assets	0.0	0.0	0.0
1.2.3	Treasury shares (interests) bought back from shareholders (members)	0.0	0.0	0.0
1.2.4	Losses:	0.0	0.0	0.0
1.2.4.1	of last years	0.0	0.0	0.0
1.2.4.2	of the reporting year	0.0	0.0	0.0
1.2.5	Investments in capital of financial organizations:	0.0	0.0	0.0
1.2.5.1	immaterial	0.0	0.0	0.0
1.2.5.2	material	0.0	0.0	0.0
1.2.5.3	total amount of material investments and total deferred tax assets	0.0	0.0	0.0
1.2.6	negative value of additional capital	0.0	1 407.0	1 407.0

1.2.7	Core capital sources acquisition liabilities	0.0	0.0	0.0
1.2.8	Funds in return for payment of shares (interests) included in core capital	0.0	0.0	0.0
1.3	Core capital	2 012 742.0	105 993.0	2 118 735.0
1.4	Additional capital sources:	194 412.0	-194 412.0	0.0
1.4.1	Authorized capital formed by preferred shares in total including:	0.0	0.0	0.0
1.4.1.1	issued in accordance with Federal Act dated July 18, 2009 No. 181-FZ On use of state securities of the Russian Federation to increase banks capitalization <1>	0.0	0.0	0.0
1.4.2	Capital surplus	0.0	0.0	0.0
1.4.3	Subordinated loan with additional conditions	194 412.0	-194 412.0	0.0
1.4.4	Subordinated credit (deposit, loan, debenture loan) without limitation of time for capital raising	0.0	0.0	0.0
1.5	Items decreasing additional capital sources	738.0	669.0	1 407.0
1.5.1	Investments in own preferred shares	0.0	0.0	0.0
1.5.2	Investments in capital of financial organizations:	0.0	0.0	0.0
1.5.2.1	immaterial	0.0	0.0	0.0
1.5.2.2	material	0.0	0.0	0.0
1.5.3	Subordinated credit (deposit, loan, debenture loan) granted to financial organizations:	0.0	0.0	0.0
1.5.3.1	immaterial	0.0	0.0	0.0
1.5.3.2	material	0.0	0.0	0.0
1.5.4	Additional capital negative value	0.0	0.0	0.0
1.5.5	Sources acquisition liability	0.0	0.0	0.0
1.5.6	Funds in return for payment of shares (interests) included in additional capital	0.0	0.0	0.0
1.6	Additional capital	193 674.0	-193 674.0	0.0
1.7	Fixed capital	2 206 416.0	-87 681.0	2 118 735.0
1.8	Additional capital sources	1 128 087.0	2 042 658.0	3 170 745.0
1.8.1	Authorized capital formed by preferred shares total including:	0.0	0.0	0.0
1.8.1.1	After March 01, 2013	0.0	0.0	0.0
1.8.2	Authorized capital formed by increase in property value	0.0	0.0	0.0
1.8.3	Profit:	55 221.0	116 118.0	171 339.0
1.8.3.1	of the current year	55 221.0	116 118.0	171 339.0
1.8.3.2	of past years	0.0	0.0	0.0
1.8.4	Subordinated credit (deposit, loan, debenture loan), total, including:	450 000.0	1 949 305.0	2 399 305.0
1.8.4.1	Raised (floated) up to March 1, 2013	450 000.0	-50 000.0	400 000.0
1.8.4.2	Granted pursuant to the Federal Law dated October 13, 2008 No. 173-FZ On additional measures to support the RF financial system <2> and the Federal Law dated October 27, 2008 no. 175-FZ On additional measures to strengthen stability of bank system in the period up to December 31, 2014 <3>	0.0	0.0	0.0

1.8.5	Increase in property value	622 866.0	-22 765.0	600 101.0
1.9	Items decreasing additional capital sources:	0.0	0.0	0.0
1.9.1	Investments in own preferred shares	0.0	0.0	0.0
1.9.2	Investments in capital of financial organizations	0.0	0.0	0.0
1.9.2.1	immaterial	0.0	0.0	0.0
1.9.2.2	material	0.0	0.0	0.0
1.9.3	Subordinated credit (deposit, loan, debenture loan) extended to financial organizations	0.0	0.0	0.0
1.9.3.1	immaterial	0.0	0.0	0.0
1.9.3.2	material	0.0	0.0	0.0
1.9.4	Additional capital sources liabilities	0.0	0.0	0.0
1.9.5	Funds in return for payment of shares (interests) included in additional capital	0.0	0.0	0.0
1.10	Items decreasing fixed and additional capital value:	0.0	0.0	0.0
1.10.1	Overdue receivables of more than 30 calendar days	0.0	0.0	0.0
1.10.2	Subordinated credits value of which doesn't exceed 1 percent of authorized capital of borrower's credit institution	0.0	0.0	0.0
1.10.3	Excess of total amount of credits, bank guarantees and suretyships extended to own members (shareholders) and insiders over maximum size in accordance with federal laws and regulations of the Bank of Russia	0.0	0.0	0.0
1.10.4	Excess of investments in building, manufacturing and acquisition of fixed capital over core and additional capital sources value	0.0	0.0	0.0
1.10.5	Excess of actual value of the interest of the member who has discontinued membership of the limited liability company over the price at which the interest is sold to another member of the limited liability company	0.0	0.0	0.0
1.11	Additional capital	1 128 087.0	2 042 658.0	3 170 745.0
2	Assets weighted at risk level (kRUB):	X	X	X
2.1	Need to determine core capital adequacy	26 773 309.0	2 670 521.0	29 443 830.0
2.2	Needed to determine fixed capital adequacy	26 773 309.0	2 670 521.0	29 443 830.0
3	Capital adequacy (percent):	X	X	X
3.1	Core capital adequacy	7.5	X	7.2
3.2	Fixed capital adequacy	8.2	X	7.2
3.3	Own funds adequacy (capital)	12.5	X	17.6

<1> Federal Law dated July 18, 2009 no. 181-FZ On use of state securities of the Russian Federation to increase banks capitalization (Collection of legislative acts of the Russian Federation, 2009, no. 29, articles. 3618; 2014, № 31, article 4334).

<2> Federal Law dated October 13, 2008 no. 173-FZ On additional measures to support the RF financial system (Collection of legislative acts of the Russian Federation, 2008, no. 42, article 4698; 2009, no. 29, article 3605; no. 48, article 5729; no. 52, article 6437; 2010, article 8, article 776; no. 21, article 2539; no. 31, article 4175).

<3> Federal Law dated October 27, 2008 no. 175-FZ On additional measures to strengthen stability of banking system for the period up to December 31, 2014 (Collection of legislative acts of the Russian Federation, 2008, no. 44, article 4981; 2009, no. 29, article 3630; 2011, no. 49, article 7059; 2013, no. 19, article 2308).

Section 2. Data on credit, operational and market risks covered by capital
Subsection 2.1. Credit Risk

Item №	Item description	kRUB					
		Data as at the reporting date			Data as at the reporting date of the previous year		
		Assets (instruments) value	Assets (instruments) with exception of losses provisions formed	Assets (instruments) value weighted at risk level	Assets (instruments) value	Assets (instruments) with exception of losses provisions formed	Assets (instruments) value weighted at risk level
1	Credit risk on assets reported on balance sheet accounts	27 590 764	26 977 278	16 726 289	22 734 169	22 240 123	9 271 826
1.1	Assets with risk ratio <1> total, of which:	6 883 967	6 883 967	0	2 357 669	2 357 669	0
1.1.1	Cash and statutory provisions with Bank of Russia	3 235 967	3 235 967	0	2 357 669	2 357 669	0
1.1.2	Credit requirements and other financial claims secured by guarantees of the Russian Federation, Ministry of Finance of Russia and Bank of Russia and pledge of state debentures of RF, Ministry of Finance of Russia and Bank of Russia	0	0	0	0	0	0
1.1.3	Credit requirements and other financial claims to central banks or governments of countries with country rating «0», «1» <2>, also secured by governments of those countries	0	0	0	0	0	0
1.2	Assets with risk ratio 20%, in total, of which:	4 208 726	4 208 718	841 744	13 263 285	13 263 285	2 652 657
1.2.1	Credit requirements and other financial claims to RF subjects, municipalities, other organizations secured by guarantees and pledge of securities of RF subjects and municipalities	0	0	0	0	0	0
1.2.2	Credit requirements and other financial claims to central banks or governments of countries with country rating «2», also secured by their guarantees (pledge of securities)	0	0	0	0	0	0
1.2.3	Credit requirements and other financial claims to credit institutions - residents of countries with country rating «0», «1», long term creditability <3>, also secured by their guarantees	1 102 460	1 102 460	220 492	7 644 957	7 644 957	1 528 991
1.3	Assets with risk ratio 50%, in total, of which:	97	97	49	0	0	0
1.3.1	Credit requirements and other financial claims in currency secured by guarantees of RF, Ministry of Finance of Russia, Bank of Russia and pledge of state debentures of RF, Ministry of Finance of Russia and Bank of Russia in foreign currency	0	0	0	0	0	0

1.3.2	Credit requirements and other financial claims to central banks or governments of countries with country rating «3», also secured by their guarantees (pledge of securities)	0	0	0	0	0	0
1.3.3	Credit requirements and other financial claims to credit institutions - residents of countries with country rating «0», «1», without long term creditability ratings and to credit institutions - residents of countries with country rating «2» also secured by guarantees	0	0	0	0	0	0
1.4	Assets with risk ratio 100%, total, of which:	16 497 974	15 884 496	15 884 496	7 113 215	6 619 169	6 619 169
1.4.1	Loan indebtedness of borrowers - legal entities	14 771 515	14 195 652	14 195 652	6 292 615	5 798 916	5 798 916
1.4.2	Fixed assets with exception of depreciation	997 807	661 453	661 453	983 179	673 667	673 667
1.5	Assets with risk ratio 150% - credit requirements and other financial claims to central banks or government of countries with country rating «7»	0	0	0	0	0	0
2	Assets with increased risk ratios in total of which:	4 726 186	4 357 489	5 798 092	9 668 845	9 448 433	11 820 250
2.1	with risk ratio 110%	1 056 281	889 319	978 251	5 356 143	5 215 183	5 736 701
2.2	with risk ratio 150%	1 618 527	1 556 098	2 334 147	2 405 316	2 352 737	3 529 105
3	Consumer credits in total including:	0	0	0	0	0	0
3.1	with risk ratio 110%	0	0	0	0	0	0
3.2	with risk ratio 140%	0	0	0	0	0	0
3.3	with risk ratio 170%	0	0	0	0	0	0
3.4	with risk ratio 200%	0	0	0	0	0	0
3.5	with risk ratio 300%	0	0	0	0	0	0
3.6	with risk ratio 600%	0	0	0	0	0	0
4	Credit risk on contingent liabilities credit related in total, of which:	6 425 577	6 264 631	1 542 874	7 611 967	7 496 042	1 076 024
4.1	Financial instruments with high risk	1 481 608	1 462 434	1 542 874	1 089 791	1 076 024	1 076 024
4.2	Financial instruments with medium risk	0	0	0	0	0	0
4.3	Financial instruments with low risk	0	0	0	0	0	0
4.4	Financial instruments without any risk	4 943 969	4 802 197	0	6 522 176	6 420 018	0
5	Credit risk on derived financial instruments	0	0	0	0	0	0

<1> Assets classification by risk groups is made pursuant to clause 2.3 of the Regulations of Bank of Russia no. 139-I.

<2> Country ratings are given in accordance with classification of export credit agencies being parties to the Agreement between members of the Organization for Economic Cooperation and Development (OECD) on main principals for granting and use of export credits with official support (information about country ratings is published at official web-site of Bank of Russia in information and telecommunication network Internet in section Bank Supervision).

<3> Long term creditability ratings of a credit institution are to be determined based on ratings assigned by international rating agencies Standard & Poor's, Fitch Ratings or Moody's Investors Service.

Subsection 2.2 Operational Risk

Item №	Item Description	Data as at the reporting date	Data as at the reporting date of the previous year
6	Operational Risk in total including:	198 890.0	167 964.0
6.1	Income for the purpose of calculation of capital needs for operational risk coverage in total of which:	1 325 931.0	1 119 761.0
6.1.1	Net interest income	908 368.0	761 031.0
6.1.2	Net non-interest income	417 563.0	358 728.0
6.2	Number of years preceding the date of operational risk calculation	3.0	3.0

Subsection 2.3 Market Risk

Item №	Item Description	Data as at the reporting date	Data as at the reporting date of the previous year
7	Overage market risk, in total, of which:	3 207 441.8	2 791 657.9
7.1	Interest risk in total of which:	222 751.4	223 332.6
7.1.1	overage	33 113.4	42 731.7
7.1.2	special	189 038.0	180 600.9
7.2	Stock market risk in total of which:	0.0	0.0
7.2.1	overage	0.0	0.0
7.2.2	special	0.0	0.0
7.3	Foreign currency risk	423 049.3	0.0

Section 3. Data on bad loans and other assets provision

Item №	Item Description	Data on begin of the reporting year	Additions (+) decrease (-) for the reporting period	Data as at the reporting date
1	Loss provisions actually formed in total of which:	831 785	291 063	1 122 848
1.1	Loans, loan debts and other similar debts provision	710 977	258 967	969 944
1.2	provision for other balance sheet assets in respect of which loss risk exists and other losses	4 833	7 348	12 231
1.3	Provision for credit-related contingent liabilities and securities titles to which are certified by depositaries that don't comply with requirements of the Bank of Russia and shown on off-balance sheet accounts	115 925	24 748	140 673
1.4	Provision for transactions with offshore residents	0		0

SECTION FOR GUIDANCE ONLY:

1. Formation (replenishment) of loans, similar-to-loans-debts provision in the reporting period (kRUB), totaling to 3 916 142, also in result of:

- 1.1. loan granted in amount of 2 232 718;
- 1.2. loan quality change 1 426 459;
- 1.3. rate of foreign exchange established by the Bank of Russia 195 162;
- 1.4. other events 61 803.

2. Rebuilding (decrease) of loans, similar-to-loans-debts provision in the reporting period (kRUB), totaling to 3 657 175, also in result of:

- 2.1. bas loans writing off 13 232;
- 2.2. loans repayment 1 262 510;
- 2.3. loan quality change 2 157 717;
- 2.4. rate of foreign exchange established by the Bank of Russia 162 409;
- 2.5. other events 61 307.

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Independent Auditor's Report

To the Shareholders and the Board of Directors of Joint-Stock Bank "INTERPROGRESSBANK"
(CJSC):

We are of the opinion that the accounting (financial) statements of the credit organization JOINT-STOCK BANK "INTERPROGRESSBANK" (CLOSED JOINT-STOCK COMPANY) give a true and fair view of the financial situation as on the 31st December 2014 and the results of financial and operational activities for the period from the 1st January till the 31st December, 2014 were included in accordance with the legislation of the Russian Federation in the part of generation of accounting (financial) statements and normative documents of the Bank of Russia, which establish requirements to generation of accounting (financial) statements.

Collegium of Tax Consultants LLC

March 31, 2015

Moscow

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Bank`s details

S.W.I.F.T. Code	INTPRUMM
"REUTERS" Dealing Code	INPG
TELEX	414154 INPRO RU
E-mail	info@ipb.ru
Http://	www.ipb.ru
BIK (Sort Code)	044525402
TIN	7724096412
RRC	775001001
RNCBO	29323770
OKVED	65.12, 67.13.2
Correspondent Account	30101810100000000402 in General Directorate of Central Bank of the Russian Federation for Central Federal District

PAYMENT DETAILS FOR FOREIGN CURRENCY

Bank	Account No.	Currency	S.W.I.F.T. Address
DEUTSCHE BANK AG, Frankfurt am Main, Germany	100947556700	EUR	DEUTDEFF
DEUTSCHE BANK TRUST COMPANY AMERICAS New York, NY USA	04-402-672	USD	BKTRUS33

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