

Annual Report has been approved
by the Board of Directors of
OJSC AK BARS Bank
(Records # 9/09-04-21 dd. 21.04.2009)

ANNUAL REPORT
2008

CONTENT

Report of the Board of Directors about the Results of the Bank's Development in Main Directions:

1. AK BARS' Market Positions in Banking
2. Results of the Bank's Activity
3. Corporate Governance
 - Capital structure and shareholders
 - Activity of the Board of Directors
 - Structure of the Board of Directors
 - Committees of the Board of Directors
 - Dividend policy
 - Management Board
 - Significant transactions and related party transactions

Bank's Business Development in 2008

1. Corporate business
2. Retail business
3. Investment business

Financial Accounts

1. Balance sheet as of January 01, 2009
2. Profit and Loss Accounts for 2008
3. Report on capital adequacy, provision for loans and other assets losses
4. Statement of Cash Flows for 2008
5. Mandatory Ratios as of January 1, 2009
6. Auditors' Opinion
7. Information about Auditors

General Information about the Bank

Contact Information

Message from the Chairman of the Board of Directors

Dear Shareholders, Partners and Clients of the Bank!

Dear Friends!

The world economic crisis has amended the prospects of the development in the economy within the next years. In 2008, the Russian banking sector also faced tough problems: deficit of liquidity, deterioration of loans quality, growth of overdue loans, slowdown in lending, etc. The current market situation also affected the business of AK BARS Bank, as the Bank is one of the elements of the banking system, is in the list of the leading banks of Russia, and is facing similar problems.

In 2008, the year of its 15-th anniversary, despite turbulent times, OJSC AK BARS Bank demonstrated responsibility and consistency in fulfilling its commitments under its agreements with customers and partners. In addition, AK BARS Bank, one of a few, continued to issue loans to real sector of economy and invest in socially important projects of the Republic of Tatarstan.

In the current crisis times, our main priority is to provide stability and strength. The Board of Directors constantly controls all issues of liquidity and bank risks, and pays much attention to the efficiency of the Bank's business. The Bank worked out and adopted the Plan of operative measures in case of stress economic situation in Russia and in the world, which will provide necessary control and allow to take effective adequate actions.

We should mobilize all our efforts for justifying clients trust, for maintaining the market positions in the Tatarstan and Russian banking sectors, and meeting adequately the financial crisis. The crisis does not bring only shocks and losses, but opens a corridor of new opportunities worth catching in order to accumulate resources and to form basis for further strengthening of business.

In summary, on behalf of the Board of Directors I am grateful to our shareholders, clients and partners for their trust and support. I appreciate professionalism, commitment and high team spirit of the Bank's staff and wish everybody further progress and prosperity.

Sincerely,

Robert Musin

Chairman of the Board of Directors of AK BARS Bank

Message from the Chairman of the Management Board

Dear Shareholders, Partners and Clients of the Bank!

2008 – a jubilee year for AK BARS Bank, was a major testing for the world economy. The crisis affected many spheres of the Russian economy, including financial sector, consumer markets and industry. Many companies had to cut down their investment programs and production volumes.

In 2008, one of the Bank's targets was to maintain its market positions. In the crisis environment AK BARS Bank continued its systematic work, closely following the situation in the world market and making objective assessment of the consequences of the financial instability for resolving the most difficult issues.

The weighty conservative policy adopted by the Bank has proved to be correct: AK BARS Bank was not involved in risk transactions, but invested in different sectors of the Russian economy and participated in the social and economic development of the Republic of Tatarstan, fulfilling all its obligations.

In the current environment, the status of the Bank - an official agent of the Tatarstan Government became a strategic advantage for its business. In future, AK BARS Bank will also aim at increasing scales of its business and strengthening its market positions not only in the Republic of Tatarstan, but in other regions of the Russian Federation.

Over the last year the Bank was progressively developing: its assets increased by 38,1% (or by RR 59,9 billion) and reached RR 217,1 billion. The profit totaled RR 2,2 billion. Despite the crisis situation in the financial markets and in the economy, the Bank does not change its strategic targets and is focused on its further development.

On behalf of the Management Board and the Bank's staff I would like to express gratitude to shareholders, clients and partners for their trust and support always accompanying our co-operation. I do believe that our co-operation will also foster mutually beneficial development.

Sincerely,

Robert Minnegaliev
Chairman of the Management Board of AK BARS Bank

AK BARS' market positions in banking

In 2008, against the background of the current macroeconomic situation the banking sector recorded slowdown. As a result, increase of capital, assets and loan portfolios of banks was lower compared with the 2007 level. By the results of 2008, capital of credit institutions grew by 42,7% against 57,8% in 2007. Last year, the growth of banks' assets accounted for 39,2% against 44,1% in 2007.

AK BARS Bank, a member of the banking community, is the largest bank in Tatarstan and is in the top 20 banks in Russia. The Bank's share in the Tatarstan banking market is 41% and 50% in terms of assets and capital respectively of all banks operating in the republic.

AK BARS Bank is ranked number 17 in terms of equity and number 12 in terms of assets among the largest Russian banks as of January 1, 2009. AK BARS Bank is positioned as a universal bank developing corporate, retail and investment businesses.

Results of the AK BARS Bank's activity

Market trends of the passed year affected the financial results of the Bank's performance. Significant downgrade of prices in the securities market and increase of costs for provision for possible losses due to increase of credit risks on the part of companies from real sector of economy – these are two factors that affected the results of the performance in business of all banks.

Nevertheless, in 2008, the Bank accelerated the scales of its business, that led to increase of its assets by RR 59,9 billion (or by 38,1%) which by year-end reached RR 217,1 billion. Capital accounted for RR 28,2 billion. Borrowings from customers grew by 17,2% and accounted for RR 106,9 billion by end-2009.

In 2008, the balance sheet profit of the Bank made up RR 2,2 billion. Net profit accounted for RR 2,1 billion.

Corporate governance

Capital structure and shareholders

As of 31.12.2008, AK BARS Bank's share capital accounted for RR 19 215 396 326, split into 19 215 396 326 ordinary (voting) registered shares with a nominal value of RR 1 (one) per share. All shares have been placed. The share capital has been paid-in.

The Statute of the Bank provides for availability of 18 800 000 000 stated ordinary registered shares by par value 1 (one) Russian rouble each, and additional shares may be issued within these limits.

Information regarding changes in shareholding for more than 1 per cent is published on AK BARS' internet page, which gives an opportunity of seeing the Bank's shareholders' structure for all interested persons. At the end of 2008, the Bank's shareholders' structure was as follows:

#	Name of Shareholder	Number of shares	Shareholding, %
1.	LLC «Iks-Luch»	3 837 313 135	19,969
2.	LLC «Investments and Consulting»	3 252 923 780	16,928
3.	OJSC «Holding company «Ak Bars»	2 526 800 000	13,149
4.	Company «VERNER HOLDINGS LIMITED»	1 871 158 458	9,737
5.	Company «Senatir Enterprises LTD»	1 464 771 050	7,622
6.	CJSC «Evrobest»	959 535 948	4,993

7.	Company «Lennard Enterprises LTD»	921 633 940	4,796
8.	Company «Mebena Enterprises LTD»	889 918 274	4,631
9.	LLC «Delta investments»	633 590 288	3,297
10.	OJSC «Nizhnekamskneftekhim»	600 338 351	3,124
11.	OJSC «Svyazinvestneftekhim»	537 307 668	2,796
12.	Private joint-stock company «Brass Holdings Limited»	473 538 110	2,464
13.	Company «Esape Enterprises LTD»	465 993 652	2,425
14.	LLC «Planet»	316 045 235	1,644
15.	LLC «Inter-Investments»	262 500 000	1,366
16.	Other legal entities and private persons, holding less than 1% of share capital	3 454 952 217	1,059

Activity of the Board of Directors

Defining priority directions of the Banks' development the Board of Directors sets long-term guiding lines for the Bank's further activity. At the end of 2007, the Board of Directors adopted the annual financial plan of AK BARS Bank for 2008. The Board of Directors worked on the development of the Bank's strategy for 2009-2012, on the improvement of the internal control system, on the assessment of the corporate governance, etc.

In 2008, there were held two General shareholders' meetings of OJSC AK BARS Bank (annual and special in the form of the joint representation of shareholders). At the General shareholders' meetings there were considered fifteen issues (eleven – at the annual meeting, four – at the special meeting). The business plan of the Board of Directors provided ten meetings; actually, there were fifteen sittings (eight internal meetings, seven correspondence meetings).

Structure of the Board of Directors

The Board of Directors conducts general supervision over the Bank's activity and adopts significant strategic decisions, excluding matters relating to the General shareholders' meeting or to the Bank's powers of operating bodies, according to the Federal law, the Bank's Charters and the Regulations of the Board of Directors.

In 2008, the General Shareholders' Meeting adopted new structure of the Board of Directors in number of 12 persons, five of whom are independent directors: Ruben Vardanyan, Andrey Vernikov, Ruslan Ilyasov, Yury Levin and Sergey Shibaev.

The newly elected Board of Directors forms continuing committees (audit, staff and bonus, strategy and risks committees) – consultative and advisory bodies under the Board of Directors.

The management of the Bank's current activity is effected by collective executive bodies – the Management Board and the sole executive body – Chairman of the Management Board. As of December 31, 2008, the Management Board contained 10 members.

The Chairman of the Management Board is at the head and in charge of the Board. He provides and controls fulfillment of the Bank's main financial and commercial tasks set in the financial plan and in the development strategy.

Members of the Board of Directors:

1. Igor Avanesyan

Born in 1953.

In 1975 graduated from the Moscow Institute of Petrochemical and Gas Industry n.a. Gubkin, in 2000 - from the Financial Management School under the Academy of Financial Economy attached to the Government of the Russian Federation, from 2001 to 2003 – Advisor on perspective development, since 30.06.2008 – member of the Board of Directors of CJSC “Tatoilgas”, since 1995 – Director of OJSC “PETROKAM”, since 2007 – President, member of the Board of CJSC «Joint leasing company “Center-Capital”, since 2008 – member of the Board of Directors of OJSC “TECHNOFORM”, since 2008 – member of the Board of Directors of the Bank Zenit (OJSC). As of 31.12.2008. has no shareholding in the Bank’s Share capital.

2. Ruben Vardanyan

Born in 1968.

In 1992 graduated from the Moscow State University n.a. M.V. Lomonosov, in 2001 and in 2005 attended courses of the Business School of Harvard University. Founder, President of the Moscow Management School “Skolkovo”. Since 1997 - Chairman of the Board of Directors of Group of companies “Troika-Dialogue”. Since 2000 - member of the Bureau of the Board, manager of the corporate governance, arbitrator of the Joint Commission on corporate ethics of the Russian Union of businessmen and employers, from 2002 to 2004 - Director General of OJSC “Rosgosstrakh”, since 2005 - Chairman of the Board of Directors of CJSC “GSS Sukhoi”, since 2005 - member of the Board of Directors of OJSC “Novatek”, since 2007 - member of the Board of Directors of OJSC “URSA Bank”, since 2007 - member of the Board of Directors CJSC “RusSpetsStal”, since 2007 - member of the international consultative council “Marsh & McLennan Companies”, since 2008 - member of the Board of Directors of OJSC “AvtoVAZ”, since 2008 - Chairman of the Russian side of the Russian-Kuwait business Council, since 2008 - member of the Board of Directors OJSC “Insurance company ZHASO”, since 2008- member of the Board of Directors of OJSC “International Airport “Sheremetjevo”. As of 31.12.2008. has no shareholding in the Bank’s Share capital.

3. Andrey Vernikov

Born in 1960.

In 1981 graduated from the Moscow State Institute of International Relations, holds a Ph.D. in Economics. Since 2006 - Professor of the State University - Higher School of Economics (Moscow), since 2007 - member of the Board of Directors of CJSC “MIEL” (Moscow), since March 2007 - member of the Supervisory Council of the Bank Snoras, OJSC (Vilnius, Lithuanian Republic), since 2007 – member of the Supervisory Council of the CB “Investbank” (OJSC) (Kaliningrad), from 2005 to 2006 - Chairman of the Board of Directors of OJSC MDM-Bank, from 2001 to 2004 - Financial Director of the Black Sea Trade and Development Bank (Greece). As of 31.12.2008. has no shareholding in the Bank’s Share capital.

4. Ruslan Ilyasov

Born in 1962.

In 1984 graduated from military holding the Order of the Red Banner institute, in 1992 – from International Center of Management (Hungary), in 1998 – from Business School Weatherhead, Case Western Reserve University (USA). From 1992 to 1999 - HR Manager of the company “Coca-cola” in Russia, USA and Finland,

from 2000 to 2003 - HR Vice-President of the company “Sun-Interbreu”,
from 2003 to 2005 - HR Director of OJSC “Alfa-Bank”,
from 2005 to 2008 - HR Director on “Alkoa Russia”,
from 2006 to 2008 - member of the Board of Directors of OJSC “Alkoa Metallurg Rus”,
since 2008 – HR Director of “Eldorado” LLC.
As of 31.12.2008. has no shareholding in the Bank’s Share capital.

5. Juri Levin

Born in 1953.

In 1975 graduated from the Moscow Financial Institute (now Financial Academy under the Government of the Russian Federation), faculty of International Economic Relations, in 1979 – attended post-graduate courses at the Institute of World Economy and International Relations of the Academy of Sciences of USSR (now Russian Academy of Sciences), holds a Ph.D. in Economics.

Since 1997 – Managing Director, member of the Board of B.V. Murray & Co., Inc.,

since 1997 – Advisor to the Management Board of the Bank Winter & Go., AG, Vienna,

since 2001 – Managing partner of BVM Capital Partners Ltd.

As of 31.12.2008. has no shareholding in the Bank’s Share capital.

6. Robert Minnegaliev

Born in 1972.

In 1993 graduated from the Kazan Financial Economic Institute, holds a Ph.D. in Economics.

From July 1998 to January 1999 - First Deputy Minister of Finance of the Republic of Tatarstan,

from 1999 to 2003 - First Deputy Minister of Finance of the Republic of Tatarstan – Director of the Treasury Department of the Ministry of Finance,

since 2003 - Chairman of the Management Board of OJSC AK BARS Bank,

since 2006 - Chairman of the Board of Directors of “Ak Bars Gallery” LLC,

since 2006 - Chairman of the Board of Directors of CJSC “Investment company “AK BARS Finance”,

since 2006 - Chairman of the Board of Directors of “AK BARS MORTGAGE”,

since 2006 - Chairman of the Board of Directors of OJSC “Transport Card”,

since 2007 - Chairman of the Board of Directors of CJSC “Insurance company “AK BARS-Med”,

since 2007 - member of the Board of Directors of OJSC “Cherkessky Chemical Industrial Association n.a. Tsakhilova”;

since 2007 - Chairman of the Board of Directors of the Charity Fund “AK BARS CREATION”,

since 2008 - Chairman of the Board of Directors of OJSC “SafPat”,

since 2008 - member of the Board of Directors of CJSC “AK BARS Insurance”.

As of 31.12.2008. has no shareholding in the Bank’s Share capital.

7. Rustam Minnekhanov

Born in 1957.

In 1978 graduated from the Kazan Agricultural Institute, in 1986 - from the Kazan branch of the Moscow Institute of Soviet Trade, holds a Ph.D. in Economics.

Since July 1998 - Prime-Minister of the Republic of Tatarstan,

Since 1999 - Chairman of the Board of Directors of OJSC «Tatneft» n.a. V.D.Shashin,

since 1999 - Chairman of the Board of Directors of OJSC «Tatneftekhiminvest-holding»,

since 2003 - Chairman of the Board of Directors of OJSC «Svyazinvestneftekhim»,

since 2008 - member of the Trustee Council of nonprofit “State housing resources under the President of the Republic of Tatarstan”,

since 2008 - member of the Trustee Council of the State nonprofit “Stabilization mortgage-insurance Fund of the Republic of Tatarstan”.

As of 31.12.2008. has no shareholding in the Bank’s Share capital.

8. Robert Musin

Born in 1964.

In 1985 - graduated from Kazan Financial Economic Institute.

From 1998 to 2002 - Minister of Finance of the Republic of Tatarstan,
since 2002 - Chairman of the Board of Directors of OJSC AK BARS Bank,
since 2004 - member of the Board of Directors of OJSC «Tatneftekhiminvest-holding»,
from 2006 - Chairman of the Board of Directors of OJSC «Meat packing plant»,
since 2006 to 2008 - Chairman of the Board of Directors of OJSC «Shemordansky meat packing plant»,
since 2007 - Chairman of the Board of Directors of OJSC «Leasing company of AK BARS Bank «Financial Economic Group»,
since 2007- Chairman of the Board of Directors of OJSC «KMK-Investor»,
since 2007 - Chairman of the Board of Directors of OJSC «Khiton»,
since 2007 - member of the management of the Trustee Fund of the Kazan State Financial Economic Institute,
since 2008 - Director of «AK BARS Development» LLC,
since 2008 - member of the Board of Directors of OJSC «KZGA – Vesta»,
since 2008 - member of the Board of Directors of OJSC «Elabuzhsky meat packing plant»,
since 2008 - member of the Board of Directors of OJSC «Cherkessky Chemical Industrial Association n.a. Z.S.Tsakhilova».
As of 31.12.2008. has no shareholding in the Bank's Share capital.

9. Raisa Sakhieva

Born in 1951.

In 1979 - graduated from Kazan State University n.a. Ulyanov-Lenin.

Since July 1991 – Head of the State-Legal administrative machinery of the President of the RT,

since 2006 - member of the Board of Directors of CJSC «Transnational financial-industrial company «Ukratnafta»,

since 2008 - member of the Board of Directors of OJSC «Svyazinvestneftekhim»,

since 2008 - member of the Board of Directors of OJSC «Network company»,

since 2008 - member of the Board of Directors of OJSC «International airport «Kazan»,

since 2008 - member of the Trustee Council of nonprofit organization “State housing resources under the President of the Republic of Tatarstan”.

As of 31.12.2008. has no shareholding in the Bank's Share capital.

10. Valery Sorokin

Born in 1964.

In 1986 – graduated from Kazan State University n.a. Ulyanov-Lenin.

Since 1996 to 2002 – Director of the Agency on management of the state debt of the RT under the Ministry of Finance of the Republic of Tatarstan,

Since 2003 - Director General, member of the Board of Directors of OJSC «Svyazinvestneftekhim»,

since 2006 - Director of CJSC «Investneftekhim»,

since 2006 - member of the Board of Directors of OJSC «Tatneft» n.a. V.D.Shashin,

since 2006 - member of the Board of Directors of OJSC «Tatenergo»,

since 2006 - member of the Trustee Council of nonprofit «Fund of assistance for development of free-economic zone Alabuga»,

since 2006 - member of the Trustee Council of nonprofit organization «Regional fund of socio-economic development «Tugan-II»,

since 2006 - member of the Trustee Council of nonprofit organization «Regional fund of economic development»,

since 2007 - member of the Board of Directors of OJSC «Tattelekom»,

since 2007 - member of the Board of Directors of OJSC «Tatneftekhiminvest-holding»,

since 2007 - member of the Board of Directors of OJSC «Holding company «Ak Bars»,

since 2007 - member of the Board of Directors of CJSC «First Building Management»,

since 2008 – member of the Trustee Council of the State nonprofit organization “Stabilization mortgage-insurance Fund of the Republic of Tatarstan”.

As of 31.12.2008. has no shareholding in the Bank's Share capital.

11. Evgeny Tikhturov

Born in 1960.

In 1982 – graduated from Moscow Management institute n.a. S. Ordzhonikidze.

From 1986 to 1997 - worked in state association «Yamashneft» as head of the scientific management and process control department, deputy head of economic issues department – chief accountant, deputy head of economics and finance department,

Since 1999 - head of finance management, member of the Board of Directors of OJSC «Tatneft» n.a. V.D.Shashin,

since 2006 – member of the Board of Directors of the International Petrochemical Growth Fund Limited,

since 2007 - member of the Board of Directors of CJSC «KalmTatneft»,

since 2008 - member of the Board of Directors of CJSC Insurance company «Chulpan»,

since 2008 - member of the Board of Directors of CJSC «Severgasnefteprom»,

since 2008 - member of the Board of Directors of CJSC «Severgeology»,

since 2008 - member of the Board of Directors of OJSC Bank Zenit,

since 2008 - member of the Board of Directors of OJSC Bank «Devon-Kredit»,

since 2008 - member of the Board of Directors of JSIB «Tatfondbank»,

since 2008 - member of the Board of Directors of OJSC «LDS-1000»,

since 2008 - member of the Board of Directors of CJSC «Furniture factory«Olkhovskaya».

As of 31.12.2008. has no shareholding in the Bank's Share capital.

12. Sergey Shibaev

Born in 1959.

Graduated from the Moscow State Institute of International Relations, The Henley Management College (MBA), Association of Chartered Certified Accountants (ACCA), certified accountant (Great Britain).

From 1990 to 1997 - Managing Partner «Coopers & Lybrand», Russia and Great Britain,

from 2004 to 2007 - Partner «Roland Berger Strategy Consultants»,

since 2007 - Senior advisor in A.T. Carni (Germany and Russia),

from 2007 to 2009 - member of the Board of Directors of OJSC «EMAlliance»,

since 2007 - Chairman of the Board of Directors of «Kafa Capital», Canada,

since 2008 - member of the Board of Directors of OJSC «Sotsgorbank»,

since 2008 - member of the Board of Directors of OJSC «PESO-Guarantee».

As of 31.12.2008. has no shareholding in the Bank's Share capital.

Committees of the Board of Directors

In 2008, the Committees of the Board of Directors continued their active work. The Chairmen of the Committees were exclusively independent directors with wide professional knowledge and experience background, which allowed the Committees function more efficiently.

Audit Committee

Chairman of the Committee, independent director – Sergey Shibaev

Members of the Committee:

- Ruslan Ilyasov
- Yuri Levin
- Evgeniy Tikhturov

During the passed year following the world standards the Audit Committee put a number of questions fundamental for the Bank's development. Thus, after the analysis of the Bank's internal control system there were revealed cardinal problems and was adopted a decision on starting the process of restructuring of the internal control system. For providing methodological assistance it

was decided to hire outside consultant company «Ernst & Young» for analyzing the Bank's internal financial control system and working out recommendations for its improving. As a result, the Management Board worked out "The Plan of measures on restructuring of the internal control system", taking into account the recommendations of the consultants.

Committee on Staff and Bonus

Chairman of the Committee, independent director – Ruslan Ilyasov

Members of the Committee:

- Igor Avanesyan
- Ruben Vardanyan
- Andrey Vernikov
- Robert Musin

According to the recommendation of the IFC experts, in the first quarter of 2008, the Committee considered questions about qualified requirements towards the members of the Board and about basic approaches with respect to the succession procedure in the Board of Directors. Among the priority targets of the Committee on staff and bonus were tasks relating to introduction of individual development plans for the management and to formation of personnel reserve.

Risks Committee

Chairman of the Committee, independent director – Yury Levin

Members of the Committee:

- Valery Sorokin
- Yevgeny Tikhturov
- Sergey Shibaev

Over the reporting period, the Risks Committee placed emphasis on improvement of the control system and risks management in the Bank, including issues on meeting reputation and legal risks, and issues of conflict of interests. Major part of the work related to the analysis of the risk management and the development of the conception and structure of risk management following the best world practice. The Committee worked out the plan of further development of risk management for 2009-2010.

Strategy Committee

Chairman of the Committee, independent director – Andrey Vernikov

Members of the Committee:

- Igor Avanesyan
- Robert Minnegaliev
- Robert Musin
- Raisa Sakhieva

In 2008, the most vital target for the Committee was participation in working out of the development strategy of AK BARS Bank for 2009-2012. The Bank hired the Boston Consulting Group, one of the leading companies in consulting, as an outside consultant. That work generated the "Proposed development strategy of the Bank for 2009-2012". The Management Board of the Bank, taking material amendments and recommendations of the outside consultant into account, developed the fundamental document – "Major directions of the development of AK BARS Bank for 2009-2012".

Dividend policy

Pursuant to the decision of the Annual General Shareholders' Meeting of AK BARS Bank by the results of 2007 30% of the net profit totaling RR 560 667 000 was directed to dividend payment under ordinary registered shares of the Bank.

Management Board

Collective executive body – Management Board of OJSC AK BARS Bank (as of January 1, 2009):

Airat Bayazitov

Born in 1971.

In 1992 graduated from the Kazan Financial Economic Institute.

In 1992 started out to work in the commercial bank “Countryside roads” as deputy chief accountant.

Since November 1993 – Chief accountant of OJSC AK BARS Bank.

Gulnara Galiakberova

Born in 1966.

In 1987 graduated from the Kazan Financial Economic Institute.

Started out to work in 1987 as engineer in the State Institute of Applied Optics.

Since 1994 started working in OJSC AK BARS Bank as an officer of the accounting division.

Worked as Head of the department of the Operational Division, then head of the Operational Division.

Since June 2007 – Director of Client Servicing Department.

Zufar Garaev

Born in 1972.

In 1994 graduated from the Kazan State University n.a.V.Ulyanov-Lenin, in 1996 – from the International Academy of Management and Marketing.

In 1992 started out to work as law advisor in the republican center of urgent medial aid.

Worked as legal advisor, then deputy Head of foreign currency and international transactions, and Deputy Chairman in Kazansky branch of Mezhhombank, Deputy Chairman – Manager of Kazansky branch of Kamkombank.

Since July 2003 - First Deputy Chairman of the Management Board of OJSC AK BARS Bank.

Ifan Gubaidullin

Born in 1975.

In 1998 graduated from the Kazan State University n.a.V.Ulyanov-Lenin, in 2001 - from the Kazan Financial Economic Institute.

Started out to work in December 1997 in OJSC AK BARS Bank as legal advisor of the law department.

In 1999 was appointed as head of the department of cooperation with corporate customers.

Since February 2004 - Deputy Chairman of the Management Board of OJSC AK BARS Bank.

Ruslan Gusaev

Born in 1971.

In 1993 he graduated from the Dagestan State University, speciality - economist.

Started out to work in 1993 as expert of the department of the National Bank of the Republic of Dagestan.

He worked as Deputy Chairman of the Management Board of the CB “Dialogue-Optim”, Advisor to the Chairman of the Board on regional issues in the CB “Creditny AGROPROMBANK”.

From July 2005– First Vice-President of “Mezhbusinessbank”, from June 2006 – Vice-President of branch net division of the Management of CB “UNIASTRUM BANK”.

Since November 2007 – Deputy Chairman of the Management Board of OJSC AK BARS Bank.

Lyalya Kudermetova

Born in 1965.

In 1986 graduated from the Kazan Financial Economic Institute.

Started out to work as accountant in the branch of Stroibank, worked as economist in Promstroibank, head of the International Division in the Bank Kazansky, head of international payments and foreign exchange control, head of the client department in Vneshtorgbank.

Since June 2004 – Director of the Kazansky branch of OJSC AK BARS Bank.

Since October 2008 – deputy Chairman of the Management Board of OJSC AK BARS Bank.

Robert Minnegaliev

Born in 1972.

In 1993 graduated from the Kazan Financial Economic Institute, holds a Ph.D. in Economics.

Started out to work as an accountant in the collective farm Yalkyn in 1987.

In 1993 worked as Deputy Chief Accountant, then as deputy Director General – head of the financial settlement center of the Kazan milk processing plant.

In 1996 was appointed head of the department on relations with banks and off-budget funds.

Since September 1997 headed the Department of budget fund-in-trust funds.

In July 1998 was appointed First Deputy Minister of Finance of the Republic of Tatarstan.

Since April 2003 - Chairman of the Management Board of OJSC AK BARS Bank.

Radik Salyakhutdinov

Born in 1971.

In 1993 graduated from the Kazan State University n.a. Ulyanov-Lenin, specialization – mathematics, in 2002 - from the Kazan socio-juridical institute, specialization – lawyer.

Started out to work in 1993 as technician and laboratory assistant at the Academy of Sciences of Tatarstan.

In 1994 started out to work in OJSC AK BARS Bank as officer of interbank relations department, then as head of interbank payments and lending department.

In 1998 was appointed Chairman of the Board of OJSC «Volzhsko-Kamsky Joint-Stock Bank».

In January 2000 was appointed Director of AK BARS Bank's Treasury.

Since October 2000 - Deputy Chairman of the Management Board of OJSC AK BARS Bank.

Rustem Khadiullin

Born in 1964.

In 1986 graduated from the Kazan State University n.a.V.Ulyanov-Lenin, in 1991 – post-graduate courses at the Kazan State University, in 1999-2001 – a number of courses of Amsterdam Institute of Finances, in 2007 – Business School of Chicago University, Executive MBA, holds a Ph.D, master of business administration.

Till 1993 worked as scientific officer at the Kazan Research Institute of Chemicals of the Academy of Sciences of USSR.

In 1994 started out to work in AK BARS Bank, first as an officer of Interbank Department, then - Director of Interbank Department and Head of International Division.

Since 2000 - Deputy Chairman of the Management Board of OJSC AK BARS Bank.

Marat Shagitov

Born in 1968.

In 1993 graduated from the Kazan Financial Economic Institute.

In 1993 started his work as Chief accountant in Rummad, LLC, then worked as Head of stock department and Financial director of JSC “Light Group”.

In 1998 - Head of the department, Director of Treasury Department - First Deputy Minister of Finance of the Ministry of Finance of the Republic of Tatarstan.

Since July 2007 – First Deputy Chairman of the Management Board of OJSC AK BARS Bank.

In 2008 there were no any changes in the Management Board of OJSC AK BARS Bank.

Significant transactions and transactions with related parties

In May 2008, the Board of Directors approved the loan issued by «AK BARS Luxembourg S.A.» in the amount up to RR 10 649 655 000, under the Series 2 notes of a USD1.5 bn participation programme. The deal was approved pursuant to the Bank's Charter provisions stipulating approval of significant transactions totalling more than 5% of the balance sheet.

Information about significant transactions approved by the Board of Directors is disclosed in proper time in the form of the Message about data which can significantly affect securities value.

Total number of related party transactions approved by the Board of Directors in 2008 accounted for 81, including 54 deals of the Bank with corporate persons and 27 deals of the Bank with private persons.

Information on Compliance with Code of Corporate Governance

In 2008, the Board of Directors adopted the Code of Corporate Governance of OJSC AK BARS Bank worked out pursuant to the regulations of the Russian law and to the international standards in the sphere of corporate governance, including standards recommended by the Federal Commission on Securities (Decree of the Federal Commission on Securities dated 04.04.2002 No 421/r).

In its business the Bank is governed by the following principles of corporate governance stipulated in the Code:

- 1) accountability** (accountability of the Board of Directors to shareholders, of the executive bodies to the Board of Directors, of the staff to executive management);
- 2) equity** (equal attitude to all shareholders irrespective of their holding in the Bank's capital and of place of their business);
- 3) transparency** (timely disclosure of authentic information on all material aspects as regards the Bank's activity, including information about its financial position, business results, shareholders' structure and management, as well as information guaranteeing free access to the website of OJSC AK BARS Bank (<http://www.akbars.ru/>), to the Information Agency Interfax, to information in the newspaper "Time and Money");
- 4) responsibility** (recognition of rights of all interested parties, including those of the subjects of the Russian Federation, municipal bodies, on the territories of which there is situated the Bank and its branches, outlets and other structural divisions; efforts to co-operate with these parties for the Bank's stable and efficient development).

The Code provides norms, regulating protection of rights and legitimate interests of shareholders, the observance of which allows the Bank strengthen trust of customers and increase investment interest towards the Bank in capital markets.

Bank's Business Development in 2008

Corporate business

Qualitative servicing of corporate customers is traditionally one of the strengths of the Bank. As of 01.01.2009 the set of banking products for corporate customers contained 44 products and covered all fields of bank servicing.

From the first date of its activity the Bank has strengthened its presence in the corporate servicing market. Today, the Bank's market share in the Republic of Tatarstan accounts for 37%, in a number of Russian regions it reaches up to 5-6%. In 2008, the Bank worked out the strategy of the development of

its corporate business, and set target market shares in the regions of the Bank's presence and channels for reaching these positions.

Lending of corporate customers

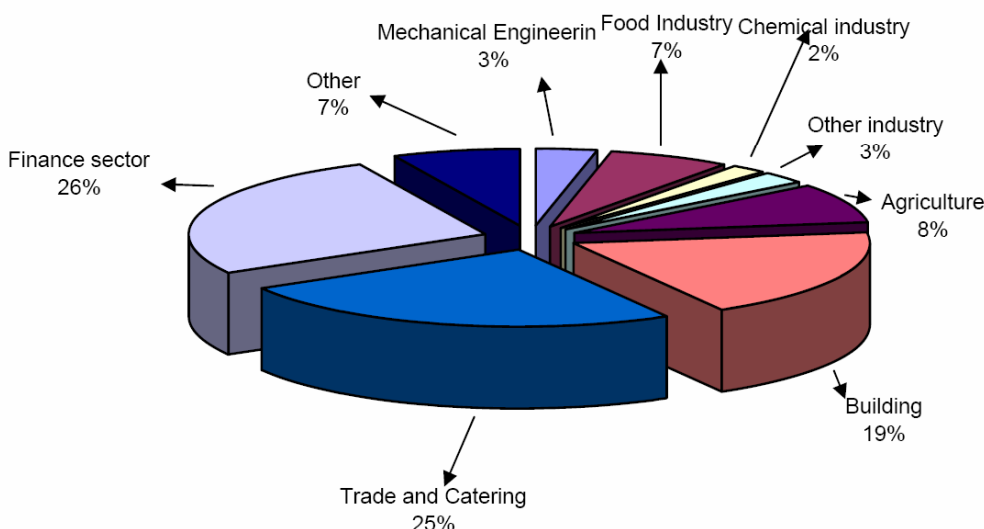
In 2008, taking into account the situation in the financial markets, AK BARS Bank faced the challenges to increase the quality of its loan portfolio, its profitability and security, and to improve risk management for risk minimization.

For adjusting the Bank's lending policy there were worked out new procedures of risk assessment, were made amendments in the current standard documents and agreements for increasing quality of the Bank's loan portfolio.

Despite uncertain market environment, the Bank issued loans to corporate customers adhering to the indicators stipulated in the Bank's financial plan. In 2008, total loans issued by the Bank to corporate persons and self-employed individuals grew by 12% and reached RR 238,6 billion compared with the same period of 2007.

Financing of commodity producers was aimed at stabilization and growth of industrial production and realization of national investment projects. The Bank placed emphasis on financing of projects directed at the development of the industrial production, building of commercial and residential property, production of agricultural products and providing support for companies of food industry.

Corporate loan portfolio by sectors of economy as of 01.01.2009.



Since its foundation AK BARS Bank has focused much of interest in diversification of its sales. Special attention is given to SME. SME are less exposed to global risks and less dependent upon macroeconomic situation in a country. Development of this sector in the client portfolio is one of the Bank's essentials for its further growth.

Lending products of the Bank for SME are directed at growth of profitability of bank operations, their standardization, increase of their availability for customers and, at the same time, are focused on maintaining reliability and adequate quality of the Bank' portfolio.

Retail business

OJSC AK BARS Bank provides private customers with a wide spectrum of banking services. The Bank is focused on customers with different income levels and requirements in terms of tenor of loans, initial installment, etc. The product line for customers is constantly renewed by new lending products for consumer needs, for purchasing real estate and cars.

As of 01.01.2009. total loan portfolio of the Bank amounted to RR 28,1 billion. In 2008, the growth of the loan portfolio totaled RR 8,6 billion not only due to the new loan products and renewal of the existing ones, but also due to the updating of technologies and lending procedures.

Investment business

The passed year in the Russian securities market was rather turbulent. The Russian equity markets were pressed by the external negative factors. Through the year, RTS and MICEX indexes went down by more than three times. Through 2008 a number of Russian issuers defaulted on their bonds, declaring first technical, then de-facto defaults. The world faced bankruptcies and nationalization of the largest banks, and extraordinary losses in derivative markets.

Despite the existing situation in financial markets, OJSC AK BARS Bank continued developing its investment banking direction in line with the strategy of the optimal risk/income ratio.

The AK BARS Group of companies offered customers complex services of placing funds in securities market - securities dealing, online trading, market overview, mutual funds and asset management (together with the management company "AK BARS CAPITAL" Ltd.).

Financial accounts

Territory code according to General classified index of administrative and territorial division	Code of credit institution (branch)			
	Code according to General classified index of enterprises and organizations	Basic state registered number	Registered number	BIC
92401370000	13001745	1021600000124	2590	049205805

BALANCE SHEET (published form) as of January 1, 2009

Credit institution: **Joint-stock commercial bank «AK BARS»**
(full company name),
OJSC «AK BARS» Bank
(short company name)
Postal address: **420066, city of Kazan, Dekabristov str., 1**

Code form 0409806
Quarterly/Annual
(RR' 000)

#	Name of balance sheet accounts	As of 01.01.2009	As of 01.01.2008
I	ASSETS		
1	Cash and cash equivalents	4 204 257	2 836 888
2	Cash with the Central bank of Russia	5 446 271	8 302 731
2.1	Mandatory reserve deposits with the Central bank of Russia	633 781	2 939 852
3	Due from credit institutions	1 408 857	1 021 863
4	Securities at fair value through profit or loss	2 069 684	1 180 382
5	Net loan debt	159 742 436	118 965 312
6	Securities available for sale	19 871 333	1 718 656
6.1	Investment in subsidiaries	1 515 940	0
7	Net investments held before redemption	0	6 304 273
8	Premises, equipment and intangibles assets	2 965 099	2 497 371
9	Other assets	21 108 046	14 357 987
10	Total assets	216 815 983	157 185 463
II	LIABILITIES		
11	Due to the Central bank of Russia	30 756 629	0
12	Due to credit institutions	21 158 656	19 790 369
13	Customer accounts (non-credit institutions)	106 936 905	91 165 729
13.1	Private deposits	23 663 603	24 908 666
14	Financial liabilities at fair value through profit or loss	699 935	0

15	Debt securities in issue	29 870 492	20 748 677
16	Other liabilities	2 079 109	1 961 498
17	Provisions for possible loan losses, other losses and for transactions with residents of off-shore zones	256 113	551 362
18	Total liabilities	191 757 839	134 217 635
III	EQUITY		
19	Shareholders' funds	19 215 396	19 215 396
20	Own shares, purchased from shareholders	0	0
21	Issue income	0	0
22	Reserve fund	293 687	0
23	Translation of securities at fair value available for sale	0	0
24	Translation of premises, equipment, intangibles	5 190	7 385
25	Retained earnings (outstanding losses) of past years	3 745 210	1 876 158
26	Profit (losses) unused	1 798 661	1 868 889
27	Total sources of equity	25 058 144	22 967 828
	Total liabilities	216 815 983	157 185 463
IV	OFF-BALANCE LIABILITIES		
28	Irrevocable liabilities of credit institution	35 714 494	48 780 603
29	Guarantees and warranties issued by credit institution	10 101 971	5 349 764

**Chairman of the Management Board
of OAO AK BARS Bank**

Robert Minnegaliev

**Chief Accountant
of OAO AK BARS Bank**

Airat Bayazitov

Territory code according to General classified index of administrative and territorial division	Code of the credit institution (branch)			
	Code according to General classified index of enterprises and organizations	Basic state registered number	Registered number	BIC
92401370000	13001745	1021600000124	2590	049205805

**Profit and Loss Accounts
(published form)
For «04» quarter 2008**

Name of the credit institution: **Joint-stock commercial bank «AK BARS»**
Postal address: **420066, Kazan, Dekabristov str., 1**

Code of form 0409807
(RR' 000)

#	Name of balance sheet accounts	As of 01.01.2009	As of 01.01.2008
1	Interest income, total, including:	19 507 052	13 601 062
1.1	Due from other banks	589 451	455 843
1.2	Loans and advances to customers	17 235 092	12 212 022
1.3	Finance lease (leasing)	0	0
1.4	Investment in securities	1 682 509	933 197
2	Interest expenses, total, including:	11 321 371	7 943 869
2.1	Due to other banks	1 787 880	1 055 361
2.2	Term deposits of legal entities	7 497 609	5 636 205
2.3	Debt securities in issue	2 035 882	1 252 303
3	Net interest income (negative interest margin)	8 185 681	5 657 193
4	Change of provision for possible loan losses, losses on correspondent accounts, and losses relating to accrued interest income, including	-3 403 298	-1 297 896
4.1	Change of reserve for possible losses on accrued interest income	-65 217	0
5	Net interest income (negative interest margin) after provision for losses	4 782 383	4 359 297
6	Net income from transactions with securities at fair value through profit or loss	2 069 640	70 401
7	Net income from transactions with securities available for sale	70 391	0
8	Net income from dealing in securities held before redemption	0	0
9	Net income from foreign currency transactions	-524 575	83 799
10	Net income from foreign currency translation	-339 655	-324 930
11	Income from participation in capital of other entities	240 006	0
12	Commission income	1 189 672	900 080
13	Commission expenses	174 060	128 682

14	Change of provision for possible losses on securities available for sale	-871 872	0
15	Change of provision for possible losses on securities, held before redemption	1 907	0
16	Change of provision for other losses	215 283	0
17	Other operating income	2 755 359	421 284
18	Net income (expenses)	9 414 479	5 381 249
19	Operating expenses	6 945 513	2 812 853
20	Profit (losses) before tax	2 468 966	2 568 396
21	Set (paid) tax	670 305	699 507
22	Profit (losses) less tax	1 798 661	1 868 889
23	Payments out of profit after tax, total, including	0	0
23.1	Distribution between shareholders (dividends)	0	0
23.2	Allocation to formation and replenishment of reserve fund	0	0
24	Unused profit (losses) for reporting period	0	0

**Chairman of the Management Board
of OJSC AK BARS Bank**

Robert Minnegaliev

**Chief Accountant
of OJSC AK BARS Bank**

Airat Bayazitov

Territory code according to General classified index of administrative and territorial division	Code of the credit institution (branch)			
	Code according to General classified index of enterprises and organizations	Basic state registered number	Registered number	BIC
92401370000	13001745	1021600000124	2590	049205805

**REPORT ON CAPITAL ADEQUACY,
PROVISION FOR LOANS AND OTHER ASSETS LOSSES**

As of January 01, 2009

Name of the credit institution: **Joint-stock commercial bank «AK BARS»**

Postal address: **420066, Kazan, Dekabristov str., 1**

Code of form 0409808

Quarterly

#	Indicator	As of the beginning of the reporting period	Increase/decrease for the reporting period	As of respective date of the reporting period
1	Equity (RR' 000), total, including:	28 488 526	-247 525	28 241 001
1.1	Share capital, including:	19 215 396	0	19 215 396
1.1.1	Registered ordinary shares value	19 215 396	0	19 215 396
1.1.2	Registered preference shares value	0	0	0
1.1.3	Unregistered share capital of credit institutions (non-joint-stock companies)	0	0	0
1.2	Own shares purchased from shareholders	0	0	0
1.3	Issue income	0	0	0
1.4	Reserve fund	200 243	93 444	293 687
1.5	Retained income (outstanding losses):	4 145 814	1 251 515	5 397 329
1.5.1	Of passed years	2 440 322	1 016 323	3 456 645
1.5.2	Of the reporting period	1 705 492	235 192	1 940 684
1.6	Intangibles	11 534	626	12 160
1.7	Subordinated loan by depreciated cost	6 336 500	-1 334 000	5 002 500
1.8	Sources of equity	0	0	0
2	Normative ratio of capital adequacy (%)	10	X	10
3	Actual ratio of capital adequacy (%)	17,1	X	12,9
4	Actual provision for possible losses (RR' 000), total, including:	5 020 149	3 876 007	8 896 156
4.1	On loans	4 406 258	3 163 242	7 569 500
4.2	On other assets	62 529	1 008 014	1 070 543
4.3	On commitments recorded on off-balance accounts	551 362	-295 249	256 113
4.4	On transactions with off-shore residents	0	0	0

**Chairman of the Management Board
of OJSC AK BARS Bank**

Robert Minnegaliev

Territory code according to General classified index of administrative and territorial division	Code of the credit institution (branch)			
	Code according to General classified index of enterprises and organizations	Basic state registered number	Registered number	BIC
92401370000	13001745	1021600000124	2590	049205805

**Information about Mandatory Ratios
(published form)
as of January 1, 2009**

Name of the credit institution: **Joint-stock commercial bank «AK BARS»**

Postal address: **420066, Kazan, Dekabristov str., 1**

Code 0409813
Annual
(%)

#	Indicator	Normative ratio	Actual indicator			
			At the reported date	At the previous reported date		
1	2	3	4	5		
1	Capital adequacy (N1)	10	12,9	17,1		
2	Instantaneous liquidity (N2)	15	35,6	35,2		
3	Current liquidity (N3)	50	52,0	54,1		
4	Long-term liquidity (N4)	120	84,6	93,0		
5	Maximum risk on one borrower or a group of related borrowers (N6)	25	Max.	19,5,	Max.	16,4
			Min.	0,1	Min.	0,3
6	Maximum loan risks (N7)	800	316,7	153,1		
7	Maximum loans, guarantees and warranties issued to the Bank's shareholders (N9.1)	50	5,8	5,8		
8	Total risk on Bank's insiders (N10.1)	3	1,9	1,2		
9	Utilization of own funds for purchasing of shares of other entities (N12)	25	0,7	0,8		
10	Liquid assets (in the nearest 30days)/liabilities (CNCO) (N15)		0	0		
11	Maximum total loans to customers – participants of clearing for closing their transactions (N16)		0	0		
12	Loans issued by CNCO on its behalf and at its own account to borrowers, excluding customers – participants of clearing (N16.1)		0	0		
13	Loans with mortgage collateral/equity (minimum) (N17)		0	0		
14	Mortgage collateral/ bonds with mortgage collateral issued (minimum) (N18)		0	0		

15	Total liabilities to lenders having priority right for satisfying their claims to holders of bonds with mortgage collateral (maximum) (N19)		0	0
----	---	--	---	---

**Chairman of the Management Board
of OJSC AK BARS Bank**

Robert Minnegaliev

**Chief Accountant
of OJSC AK BARS Bank**

Airat Bayazitov

Territory code according to General classified index of administrative and territorial division	Code of the credit institution (branch)			
	Code according to General classified index of enterprises and organizations	Basic state registered number	Registered number	BIC
92401370000	13001745	1021600000124	2590	049205805

STATEMENT ON CASH FLOW
(published form)
For 2008 year

Name of the credit institution: **Joint-stock commercial bank «AK BARS»**
Postal address: **420066, Kazan, Dekabristov str., 1**

Code of form 0409814
Annual
(RR' 000)

#	Item	Cash flow
1	2	3
1	Cash flow from/used in operating activities	
1.1	Cash flow from/used in operating activities before changes in operating assets and liabilities, total, including:	2 203 418
1.1.1	Interest received	17 178 389
1.1.2	Interest paid	-10 807 061
1.2.3	Fees and commission received	1 188 838
1.1.4	Fees and commission paid	-181 001
1.1.5	Income less expenses paid on operations with securities available for sale at fair value through profit or loss	302 058
1.1.6	Income less expenses paid on operations with securities held before redemption	0
1.1.7	Income less expenses paid on trading with foreign currencies	-1 190 052
1.1.8	Other operating income	2 996 268
1.1.9	Operating expenses	-6 870 241
1.1.10	Expenses/compensation on profit tax	-413780
1.2	Increase/decrease of net cash on operating assets and liabilities, total, including:	12 122 440
1.2.1	Net increase/decrease on mandatory provision with the Central Bank of Russia	2 306 071
1.2.2	Net increase/decrease in investment in securities at fair value through profit or loss	628 567
1.2.3	Net increase/decrease in due from banks	-398 110
1.2.4	Net increase/decrease in loans and advances	-44 169 306
1.2.5	Net increase/decrease in other assets	-3 475 077
1.2.6	Net increase/decrease in loans, deposits and other funds with the Central Bank of Russia	30 756 629
1.2.7	Net increase/decrease in due to other banks	1 368 286

1.2.8	Net increase/decrease in due to customers	15 771 161
1.2.9	Net increase/decrease in financial liabilities at fair value through profit or loss	699 935
1.2.10	Net increase/decrease in debt securities in issue	8 923 996
1.2.11	Net increase/decrease in other liabilities	-289 712
1.3	Total 1 (1.1 +1.2)	14 325 858
2	Net cash from/used in investing activities	
2.1	Purchase of securities and other financial assets classified as “securities available for sale”	-13 053 293
2.2.	Proceeds from sale and redemption of securities and other financial assets classified as “securities available for sale”	442 543
2.3	Purchase of securities classified as “securities held before redemption”	0
2.4	Proceeds from redemption of securities classified as “securities held before redemption”	0
2.5	Acquisition of premises and equipment	-668 655
2.6	Proceeds from disposal of premises and equipment	5 248
2.7	Dividends received	130
2.8	Total 2 (2.1.+ 2.7)	- 13 274 027
3	Net cash from/used in operating activities	
3.1	Installments of shareholders in capital	0
3.2	Purchase of own shares	0
3.3	Sale of own shares, purchased from shareholders	0
3.4	Dividends paid	-560 683
3.5	Total 3 (3.1.+ 3.4)	-560683
4	Effect of exchange rate changes on cash and cash equivalents	325 823
5	Increase/decrease in cash and cash equivalents	816 971
5.1	Cash and cash equivalents at the beginning of year	8 199 767
5.2	Cash and cash equivalents at the end of the year	9 016 738

**Chairman of the Management Board
of OJSC AK BARS Bank**

Robert Minnegaliev

**Chief Accountant
of OJSC AK BARS Bank**

Airat Bayazitov

AUDITORS' OPINION

In the opinion of the LLC "Sredne-Volzhskoye Expert Bureau", financial statements of the Joint-stock commercial bank "AK BARS" (open joint-stock company) show the authenticity of its financial position in all fundamental aspects as at 31 December 2008 and the results of its financial activities for the period 1 January 2008 – 31 December 2008 including, in accordance with the requirements of the Russian Federation and the Central bank of Russia legislation with regard to preparation of the financial statements.

Name of auditors: Limited liability company "Sredne-Volzhskoye Expert Bureau"

License number: E 001502

License issue date: 06.09.2002.

License extension date: 06.09.2007.

License expiry date: 06.09.2012.

Name of the body issued the license: Ministry of Finance of the Russian Federation

Last name, first name and patronymic of the head of the auditing company: Falaleev Alexander Nilolaevich

March 30, 2009

Director of LLC "Sredne-Volzhskoye Expert Bureau"

_____ A.N. Falaleev

Supervisor of audit

_____ N.Y. Tuzankina

auditor's qualified certificate

NoK 000720, issued pursuant to the decision of the Central Certification License Commission of the Ministry of Finance of Russia dd. 21.12.1995 (records No 10) vesting right to audit business from 26.08.2002 for unlimited period

Auditor:

_____ V.E. Fedosova

auditor's qualified certificate

NoK 12879, issued pursuant to the decision of the Central Certification License Commission of the Ministry of Finance of Russia dd. 16.01.2001 (records No 1) of vesting right to audit business from 24.02.2004 for unlimited period

Information about auditors

1. Information about audit company authorized to audit the Bank's financial statements according to the Russian accounting standards (RAS) for 2008:

Name of auditors	Limited liability company "Sredne-Volzskoye Expert Bureau"
Short firm name	"SVEB"
Registered place	60 Vosstaniya str., Kazan Republic of Tatarstan Russian Federation
Phone, fax	t.: (843) 555-62-92, f.: (843) 555-62-52
e-mail	sveb@mi.ru
Number, issue date, expiry date of license	License №E001502 for conducting audit business Issue date: 06.09.2002. Expiry date: 06.09.2012.
Authorized body, which issued the license	Ministry of Finance of the Russian Federation
Information about membership of the auditor in boards, associations or other professional organizations	Associated member of nonprofit partnership "Russian Commission of Auditors", member of the Institute of Professional Accountants and Auditors of Russia, member of Nonprofit Partnership «Self-Regulating Interregional Association of Appraisers». «SVEB» is in the Group of Companies «Audex», which starting from 2000 is a member of the international association of independent audit companies MRI (MOORS ROWLAND INTERNATIONAL).
Financial year (years) when the audit company audited financial statements of the credit institution - issuer	2003, 2004, 2005, 2006, 2007
Director of audit company	Falaleev Alexander Nilolaevich

2. Information about auditors

1. Information about audit company authorized to audit the Bank's financial statements according to the International Financing Reporting Standards (IFRS) for 2008 financial year:

Full company name	ZAO PricewaterhouseCoopers Audit
Short company name	PWC

Registered address	Kosmodamianskaya nab. 52/5 115054 Moscow Russian Federation
Telephone, fax	t.: +7 (495) 967-6000 f.: +7 (495) 967-6001
e-mail address	www.pwc.ru
Number, issue date, expiry date of license	№ E 000376 May 20, 2002 (date of issue) (on May 20, 2007 г. was extended)
Authorized body, which issued the license	Ministry of Finance of the Russian Federation
Information about membership of the auditor in boards, associations or other professional organizations	Audit House of Russia, Institute of Professional Accountants of Russia, All-Russian Union of Insurers, Committee on Insurance and Provision of Pensions of the Association of the European Business
Financial year (years) of accounting and financial statements of the credit institution-issuer audited by auditor	Annual Financial Statements for 1997, 1999. Consolidated Financial Statements for 2006
Audit Company Partner	Richard Mann

Organization information

Foundation of OJSC “AK BARS” BANK: November, 1993

Licences:

Full banking license of the Central Bank of the Russian Federation No 2590

License of the Central Bank of the Russian Federation for conducting bank operations with precious metals

License of the professional participant of the securities market, issued by the Federal commission of the securities market of Russia for conducting broker, dealer, depository operations and for securities management

License of the State Customs Committee of Russia to act as guarantor to tax bodies on tax payments

Membership in Associations and Societies

- Society for Worldwide Interbank Financial Telecommunications – S.W.I.F.T.
- Information-Dealing System «Reuters Dealing»
- Moscow Interbank Currency Exchange (MICEX)
- National Association of Stock Market
- Association of Participants of Promissory Notes Market
- Association of Russian Banks
- Banking Association of Tatarstan

Branches, sub-branches, outlets as of 01.01.2009.

47 branches, 145 subbranches, 142 outlets, 13 small outlets, 4 credit-cash offices, subsidiary bank «Naratbank» in Saratov with its 8 branches

Bank’s Auditors Audit company PricewaterhouseCoopers, Sredne-Volzhskiye Expert Bureau

HO address:

Dekabristov str.1, Kazan, Republic of Tatarstan 420066, Russia,

United referral service 8-800-2005-303

Tel: +7 (843) 2-303-303

Fax: +7 (843) 519-39-75

Telex: 224604ABBRU

S.W.I.F.T.: ARRSRU2K

E-mail: kanc@akbars.ru

Web: www.akbars.ru

Contact information

AK BARS' branches in the Republic of Tatarstan

1. Aznakaevskiy
21/8, Pushkin str., Aznakaevo 423300
tel (85592) 7-10-22
Director – Raushan Islamova
2. Almetjevskiy
113 A, Lenin str., Almetjevsk 423450
tel (8553) 33-43-30
Director – Rustem Baikiev
3. Apastovskiy
2a, Sovetskaya str., Apastovo 422350
tel (276) 2-16-36
Director – Liliya Islamova
4. Arskiy
7, Bolshaya str., Arsk 422010
tel (266) 3-25-50
Director – Ramil Gimatov
5. Bavlinskiy
24, Lenin str., Bavly 423930
tel (85569) 5-50-90
Director – Marat Khasiyatullin
6. Bugulminskiy
6, Dzhilil str., Bugulma 423200
tel (85594) 6-25-25
Director – Lyalya Kuramshina
7. Buinskiy
71, Vakhitov str., Buinsk 422400
tel (274) 3-25-03
Director - Albert Valiulov
8. Elabuzhskiy
52a, Razvedchikov str., Elabuga 423600
tel (85557) 3-13-19
Director – Alsu Garipova
9. Zainskiy
37a, Neftyanikov str., Zainsk 423520
tel (85558) 3-79-20
Director – Elena Kopylova
10. Zelenodolskiy
5, Pervomayskaya str., Zelenodolsk 422540
tel (271) 5-78-67
Director – Damir Valiev

11. Kazanskiy
8, Kremljovskaya Kazan 420111
tel (843) 291–14–00
Director – Alexander Kitaev
12. Kukmorskiy
28a, Lenin str., Kukmor 422110
tel (84364) 2-69-21
Deputy Director – Rosaliya Minnemullina
13. Leninogorskiy
8, Pr. Pobeda 50, Leninogorsk 423250
tel (85595) 5–55–54
Director – Rushania Aldullina
14. Mamadyshskiy
43 Domolazov str., Mamadysh 422170
tel (85563) 3–12–49
Director - Rustam Khuzyazyanov
15. Menzelinskiy
1/25, Izyskateley str., Menzelinsk 423700
tel (85555) 3–47–09
Director – Sharipzyan Fattakhov
16. Mendeleevskiy
19, Fomin str., Mendeleevsk 423650
tel (85549) 2–09–51
Director – Razina Puzyryova
17. Naberezhnochelninskiy
18, E.N. Batenchuk str., Naberezhniye Chelny 423802
tel (8552) 70–11–48
Director – Asiya Salakhova
18. Nizhnekamskiy
18, Baki Urmanche str., Nizhnekamsk 423581
tel (8555) 34–96–39
Director – Elena Palagina
19. Nurlatskiy
2, Shkolnaya str., Nurlat 423040
tel (245) 2–07–79
Director – Farit Gubaidullin
20. Chistopolskiy
33, Lenin str., Chistopol 422980
tel (242) 5–30–36
Director – Rafail Zinnatullin

AK BARS' branches in the Russian Federation

1. Barnaulskiy
75B, Krasnoarmeysky pr., Barnaul 656049
(3852) 62-36-24
Director – Konstantin Shipilov
2. Volgogradskiy
37, B.I. Lenin pr., Volgograd 400005,
(8422) 23-26-42
Director – Alexander Krivobokov
3. Ekaterinburgskiy
68, Krasnoarmeyskaya str., Ekaterinburg 620130
tel (343) 377-51-00
Director - Alexander Zabolotskikh
4. West-Siberian branch
24/1, Permyakov str., Tyumen 625013
tel (3452) 31-10-55,
Director – Almaz Valiullof
5. Izhevskiy
171 Vorovskiy str, Izhevsk, Republic of Udmurt 426035
tel (3412) 65-86-27
Director – Ilfur Minnemullin
6. Krasnodarskiy
176, Mitrofan Sedin str., Krasnodar
tel (861) 255-01-16
Director - Sergey Tarasenko
7. Krasnoyarskiy
117, Uritskiy str., Krasnoyarsk 660014
tel (3912) 27-37-73
Director – Dmitriy Grechakov
8. Kirovskiy
51, Sovetskaya str., Kirov, 610020,
tel (8332) 36-55-99
Director - Galina Babkina
9. Kurganskiy
63/4, Krasin str., Kurgan, 640001
tel (3522) 41-10-21
Director – Konstantin Alexandrov
10. Mariyskiy
11, Uspenskaya str., Yoshkar-Ola, Republic of Mariy-El 424000
tel (8362) 42-07-37
Director – Alexey Dunaenko
11. Moskow branch
24, Posledniy per., Moscow, 103045
tel (495) 737-73-02

Director - Evgeniy Konev

12. Nizhegorodskiy
9/1, Belinskiy str., Nizhniy Novgorod, 603115
(831) 415-16-06
Director – Alexander Skorniyakov
13. Novgorodskiy
7a, Boyan str., V.Novgorod, 173000
tel (8162) 68-04-83
Director – Elena Sladkova
14. Novosibirskiy
7, Dimitrova str., Novosibirsk, 630132
tel (383) 274-91-33
Director – Mikhail Buevich
15. Omskiy
74a, 10 years of October str., Omsk 644070
tel (3812) 56-92-01
Deputy Director – Eduard Adabir
16. Orenburgskiy
59/1 Leninskaya, Orenburg, 460000
tel (3532) 32-50-25
Director – Almira Kupriyanova
17. Permskiy
41, Ordzhonikidze str., Perm 614000
tel (342) 210-16-14
Deputy Director – Viktor Razuvaev
18. Rostovskiy
61b, Suvorov str., Rostov-on-Don, 344006
tel (863) 200-14-65
Director – Yury Oniskovets
19. Samarskiy
114-A, Krasnoarmeyskaya str., Samara, 443030
tel (846) 333-33-99
Acting Director – Tatyana Syntina
20. Saranskiy
61, B.Khmelnitsky str., Saransk, 430000,
tel (8342) 24-47-47
21. North-Western branch
2, Povarskiy per., St. Petersburg 191025
tel (812) 347-74-75
Director – Sergey Divak
22. Tomskiy
35, Gogol str., Tomsk, Tomsky region, 634029

tel (3822)52-87-27
Director – Igor Gorbachenko

23. Branch of OJSC AK BARS Bank in Tolyatti
138, Mir str., Tolyatti, Samarsky region, 445035
tel (8482) 48-71-95
Director – Gyuzel Mochalova

24. Ulyanovskiy
21/19, Gagarin str., Ulyanovsk, 432071
tel (8422) 46-12-90
Director – Nuriya Mazitova

25. Uralskiy
35, Kommuna str., Chelyabinsk, 454091
tel (351) 265-94-87
Director – Sergey Chetvertakov

26. Khabarovskiy
56, Dzerzhinsky str., Khabarovsk, 680000
tel (4212) 41-51-46
Director – Dmitry Ovsyannikov

27. Cheboksarskiy
3, Moskovskiy pr., Cheboksary, Republic of Chuvashstan 428018
tel (8352) 42-52-74
Director – Khamit Shamsutdinov