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CONFIRMATION OF YOUR REPRESENTATION: In order to be eligible to view this base prospectus supplement or make an investment decision with respect to the securities, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act). By accepting the e-mail and accessing this base prospectus supplement, you shall be deemed to have represented to GPB Eurobond Finance plc (the “**Issuer**”), Open Joint-Stock Company Gazprombank (“**Gazprombank**”) and Gazprombank and each of its subsidiaries taken as a whole that you are not a U.S. person; the electronic mail address that you have given to us and to which this e-mail has been delivered is not located in the U.S., its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; and that you consent to delivery of this base prospectus supplement by electronic transmission.

You are reminded that this base prospectus supplement has been delivered to you on the basis that you are a person into whose possession this base prospectus supplement may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this base prospectus supplement to any other person.

This base prospectus supplement does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealer (as defined in the base prospectus dated 11 June 2014 (the “**Base Prospectus**”)) or any affiliate of the Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealer or such affiliate on behalf of the Issuer in such jurisdiction.

Under no circumstances shall this base prospectus supplement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of this base prospectus supplement who intend to subscribe for or purchase the securities are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus, as supplemented by this base prospectus supplement. This base prospectus supplement may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

This base prospectus supplement has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Dealer or any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this base prospectus supplement distributed to you in electronic format and the hard copy version available to you on request from the Dealer.



U.S.\$15,000,000,000
Programme for the Issuance of Loan Participation Notes
to be issued by, but with limited recourse to,
GPB Eurobond Finance plc
for the purpose of financing loans to
Gazprombank (Open Joint-Stock Company)

This base prospectus supplement No. 1 (the “**Supplement No. 1**”) is supplemental to and should be read in conjunction with the base prospectus dated 11 June 2014 (the “**Base Prospectus**”) prepared in connection with the U.S.\$15,000,000,000 Programme (the “**Programme**”) for the issuance of Loan Participation Notes (the “**Notes**”) by GPB Eurobond Finance PLC (the “**Issuer**”) for the sole purpose of financing loans to Gazprombank (Open Joint-Stock Company) (“**Gazprombank**”).

All capitalised terms used herein and not otherwise defined in this Supplement No. 1 shall have the meanings ascribed to them in the Base Prospectus. Save as expressly modified by this Supplement No. 1, the Base Prospectus shall continue in full force and effect and this Supplement No. 1 and the Base Prospectus shall henceforth be read together as one document. To the extent that there is any inconsistency between any statement in this Supplement No. 1 and any statement in or incorporated by reference in the Base Prospectus, the statements in this Supplement No. 1 will prevail. Unless the context otherwise requires, references in this Supplement No. 1 to sections of the Base Prospectus, refer to the relevant sections of the Base Prospectus as modified or restated in their entirety by this Supplement No. 1.

AN INVESTMENT IN THE NOTES ISSUED UNDER THE PROGRAMME INVOLVES CERTAIN RISKS. FOR A DISCUSSION OF THESE RISKS, SEE “RISK FACTORS” IN THE BASE PROSPECTUS.

THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”). THE NOTES ARE BEING OFFERED OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT IN CERTAIN TRANSACTIONS IN ACCORDANCE WITH REGULATION S OR PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE AND LOCAL SECURITIES LAWS.

This Supplement No. 1 has been approved by the Central Bank of Ireland as competent authority under Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank of Ireland only approves this Supplement No. 1 as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Supplement No. 1 constitutes a supplement to the Base Prospectus for the purposes of the Prospectus Directive and is issued in accordance with Article 16 of the Prospectus Directive as implemented in Ireland by the Prospectus (Directive 2003/71/EC) Regulations 2005 (“**Prospectus Regulations**”). For the purposes of Directive 2004/109/EC (the “**Transparency Directive**”), the Issuer has chosen Ireland as “home Member State” (as defined in the Transparency Directive).

Save as disclosed in this Supplement No. 1, there has been no other significant change and no significant new matter, material mistake or inaccuracy has arisen since the publication of the Base Prospectus.

The date of this Base Prospectus Supplement is 20 June 2014

The information included herein supplements, and to the extent inconsistent therewith replaces, the information about the Programme, the Issuer, Gazprombank and Gazprombank and its subsidiaries taken as a whole (the “Group”) contained in the Base Prospectus.

Each of the Issuer and Gazprombank accepts responsibility for the information contained in this Supplement No. 1. To the best of the knowledge of each of the Issuer and Gazprombank (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement No. 1 is in accordance with the facts and does not omit anything likely to affect the import of such information.

In addition, Gazprombank, having made all reasonable enquiries, confirms that (i) the Base Prospectus and this Supplement No. 1 contain all information with respect to Gazprombank, the Group, the relevant Loans and the Notes that is material; (ii) the statements contained in the Base Prospectus and this Supplement No. 1 relating to Gazprombank and the Group are in every material particular true and accurate and not misleading; (iii) the opinions, expectations and intentions expressed in the Base Prospectus and this Supplement No. 1 with regard to Gazprombank and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions; (iv) there are no other facts in relation to Gazprombank, the Group, the relevant Loans or the Notes the omission of which would make any statement in the Base Prospectus and this Supplement No. 1 misleading in any material respect; and (v) all reasonable enquiries have been made by Gazprombank to ascertain such facts and to verify the accuracy of all such information and statements.

Gazprombank is a legal entity organised as an open joint-stock company under the laws of the Russian Federation. Gazprombank’s legal name is Gazprombank (Open Joint-Stock Company) and the address of its registered office and its head office is 16 Block 1, Nametkina Street, Moscow 117420, the Russian Federation. The telephone number of the registered office and head office is +7 495 913 74 74. The Issuer is a legal entity organised as a public company under the Companies Act 1963-2005 of Ireland. The Issuer’s legal name is GPB Eurobond Finance PLC and the address of its registered office is 5 Harbourmaster Place, IFSC, Dublin 1, Ireland. The telephone number of the registered office is +353 1 680 6000.

Information contained in the Base Prospectus under the heading “*Banking Sector and Banking Regulation in the Russian Federation*” and information relating to OAO Gazprom and its subsidiaries taken as a whole includes extracts from information and data publicly released by official and other sources (including, *inter alia*, the Central Bank of the Russian Federation. The Issuer and Gazprombank accept responsibility for accurately reproducing such information and data. So far as the Issuer and Gazprombank are able to ascertain from this publicly available information, no facts have been omitted which would render the reproduced information misleading or inaccurate.

This Supplement No. 1 does not constitute an offer of, or an invitation by or on behalf of, the Issuer, Gazprombank, the Group, the Trustee, the Dealers or the Arrangers (each as defined under “*Overview of the Programme*” of the Base Prospectus) to subscribe for or purchase any of the Notes.

The distribution of this Supplement No. 1 and the offer or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement No. 1 comes are required by the Issuer, Gazprombank, the Group, the Dealers and the Arrangers to inform themselves about and to observe any such restrictions. Further information with regard to restrictions on offers and sales of the Notes is set out under “*Subscription and Sale*” and “*Summary of Provisions Relating to the Notes in Global Form*” of the Base Prospectus.

No person is authorised to provide any information or make any representation not contained in this Supplement No. 1 and any information or representation not contained in this Supplement No. 1 must not be relied upon as having been authorised by or on behalf of the Issuer, Gazprombank, the Group, the Trustee, any of the Dealers or the Arrangers. The delivery of this Supplement No. 1 at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The websites of Gazprombank and other members of the Group do not form any part of the contents of this Supplement No. 1.

Neither the delivery of this Supplement No. 1 nor the offer, sale or delivery of any Note shall in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer, Gazprombank or the Group since the date of this Supplement No. 1.

None of the Issuer, Gazprombank, the Trustee, the Group, the Arrangers or the Dealers or any of their respective representatives is making any representation to any offeree or purchaser of the Notes regarding the legality of an

investment by such offeree or purchaser under relevant legal investment or similar laws. Each investor should consult with its own advisers as to the legal, tax, business, financial and related aspects of the purchase of the Notes.

Prospective purchasers must comply with all laws that apply to them in any place in which they buy, offer or sell any Notes or possess this Supplement No. 1. Any consents or approvals that are needed in order to purchase any Notes must be obtained. Gazprombank, the Group, the Issuer, the Arrangers and the Dealers are not responsible for compliance with these legal requirements. The appropriate characterisation of any Notes under various legal investment restrictions, and thus the ability of investors subject to these restrictions to purchase such Notes, is subject to significant interpretative uncertainties. No representation or warranty is made as to whether or the extent to which any Notes constitute a legal investment for investors whose investment authority is subject to legal restrictions. Such investors should consult their legal advisers regarding such matters.

This Supplement No. 1 is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “**relevant persons**”). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

In connection with the issue of any Series of Notes, one of the Dealers (or persons acting on its behalf), if any, will act as the stabilising manager (the “**Stabilising Manager**”), as disclosed in the relevant Final Terms. Such Stabilising Manager (or persons acting on its behalf) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that such Stabilising Manager (or persons acting on its behalf) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of a Series of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of such Series of Notes and 60 days after the date of allotment of such Series of Notes. Any stabilisation action or over-allotment must be conducted by such Stabilising Manager (or persons acting on its behalf) in accordance with all applicable laws and rules.

Under Russian law, the Notes are securities of a foreign issuer. The Notes are not eligible for offering and circulation in the Russian Federation unless otherwise permitted by Russian law. No sale, exchange or transfer of the Notes may take place in the Russian Federation or to or for the benefit of any Russian person or entity unless otherwise permitted by Russian law. Neither the issue of the Notes nor a securities prospectus in respect of the Notes has been, or is intended to be, registered in the Russian Federation. The information set forth in this Supplement No. 1 is not an offer of, or an invitation to make offers, sell, exchange or otherwise transfer, the Notes in the Russian Federation or to or for the benefit of any Russian person or entity. Information set forth in this Supplement No. 1 is not an advertisement of the Notes in the Russian Federation and is not intended to create or maintain an interest in the Issuer or the Notes or to facilitate any sale, exchange or transfer of the Notes in the Russian Federation or to or for the benefit of any Russian person or entity.

This Supplement No. 1 approved by the Central Bank of Ireland will be filed with the Irish Companies Registration Office in accordance with Regulation 38(1)(b) of the Prospectus Regulations.

The Issuer is not and will not be regulated by the Central Bank of Ireland as a result of issuing the Notes. Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland.

The language of this Supplement No. 1 is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

THE DEALERS AND ARRANGERS HAVE NOT SEPARATELY VERIFIED THE INFORMATION CONTAINED IN THIS SUPPLEMENT NO. 1. NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS MADE BY ANY OF THE DEALERS OR THE ARRANGERS AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION SET FORTH IN THIS SUPPLEMENT NO. 1, AND NOTHING CONTAINED IN THIS SUPPLEMENT NO. 1 IS, OR SHALL BE RELIED UPON AS, A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. NONE OF THE DEALERS OR THE ARRANGERS ASSUMES ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS SUPPLEMENT NO. 1.

EACH PERSON CONTEMPLATING MAKING AN INVESTMENT IN ANY NOTES ISSUED UNDER THIS PROGRAMME FROM TIME TO TIME MUST MAKE ITS OWN INVESTIGATION AND ANALYSIS OF THE CREDITWORTHINESS OF GAZPROMBANK, THE GROUP AND THE ISSUER AND ITS OWN DETERMINATION OF THE SUITABILITY OF ANY SUCH INVESTMENT, WITH PARTICULAR REFERENCE TO ITS OWN INVESTMENT OBJECTIVES AND EXPERIENCE AND ANY OTHER FACTORS WHICH MAY BE RELEVANT TO IT IN CONNECTION WITH SUCH INVESTMENT.

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RECENT DEVELOPMENTS

Condensed Interim Consolidated Financial Information

On 16 June 2014, Gazprombank published the Group's unaudited condensed interim consolidated financial information as at and for the three months ended 31 March 2014 prepared in accordance with International Financial Reporting Standard IAS 34, Interim Financial Reporting, as set out on pages F-2 through F-43 of this Supplement No. 1.

Limited Financial Review

Results of Operations

For the three months ended 31 March 2014, the Group's net loss amounted to RUB3.7 billion, as compared to RUB5.6 billion profit for the three months ended 31 March 2013. Total comprehensive loss for the three months ended 31 March 2014 amounted to RUB2.6 billion, as compared to the total comprehensive income of RUB5.1 billion for the three months ended 31 March 2013.

These losses are primarily attributable to the following factors and trends that have emerged:

- loan loss provisions have increased due to a number of macroeconomic factors as well as a default by one of Gazprombank's borrowers on total indebtedness of approximately RUB3.5 billion. Gazprombank understands that this particular borrower has defaulted on a number of other loans from other lenders in the Russian market as well;
- mark-to-market losses have been incurred on Gazprombank's securities portfolio;
- losses attributable to certain Gazprombank's private equity investments have been incurred; and
- a one-off tax liability arising as a result of an intra-group transfer of assets has negatively affected profits.

At the same time, the Group's net interest income and fees and commissions income increased by 41.7 per cent. from RUB19.4 billion for the three months ended 31 March 2013 to RUB27.5 billion for the three months ended 31 March 2014. This increase is attributable primarily to the growth of corporate and retail loans during 2013 and the three months ended 31 March 2014.

Net interest margin of the Group constituted 3.4 per cent. for the three months ended 31 March 2014 as compared to 3.2 per cent for the year ended 31 December 2013. At the same time, interest spread in the three months ended 31 March 2014 increased to 3.8 per cent. as compared to 3.4 per cent. for the year ended 31 December 2013.

The Group's cost-to-income ratio increased insignificantly to 47.2 per cent as of 31 March 2014 as compared to 47.1 per cent. as of 31 December 2013.

Capital Adequacy

As at 31 March 2014, the Group's Tier I capital as calculated in accordance with Basel II Guidelines was RUB346.0 billion, which represented a 1.5 per cent. decrease as compared to RUB351.4 billion as at 31 December 2013. This decline is attributable primarily to the net loss recorded by the Group for the three months ended 31 March 2014. As at 31 March 2014, the Group's Tier I capital ratio as calculated in accordance with Basel II Guidelines (Simplified Standardised Approach) was 8.9 per cent. as compared to 9.9 per cent. as at 31 December 2013.

As at 31 March 2014, the Group's total capital was RUB487.8 billion, which represented a 3.5 per cent increase as compared to RUB471.1 billion as at 31 December 2013, which is attributable to the increase of Tier II Capital, which, in turn, is primarily due to the Group's issuance of CHF350 million Tier II subordinated eurobonds in February 2014.

As at 31 March 2014, Gazprombank's total capital adequacy ratio was 12.6 per cent. as compared to 13.2 per cent. as at 31 December 2013, which exceeds the minimum level of 8 per cent. in accordance with Basel II Guidelines.

Financial Position

During the three months ended 31 March 2014, the Group's total assets increased by 7.4 per cent. from RUB3,647.0 billion as at 31 December 2013 to RUB3,915.6 billion as at 31 March 2014. The asset growth was driven primarily

by the increase of the Group's loan portfolio and cash and cash equivalents. The asset growth was financed by the increased use of refinancing facilities with the Central Bank of the Russian Federation, debt capital markets borrowings and inflow of corporate customer funds.

In the three months ended 31 March 2014, the Group's net loan portfolio increased by 4.6 per cent. from RUB2,355.9 billion as at 31 December 2013 to RUB2,464.4 billion as at 31 March 2014. The share of net loans to customers in the Group's total assets decreased from 64.6 per cent. as at 31 December 2013 to 62.9 per cent. as at 31 March 2014. The Group's gross corporate loan portfolio increased by 5.2 per cent. from RUB2,147.0 billion as at 31 December 2013 to RUB2,259.1 billion as at 31 March 2014, primarily as a result of a growth in the volume of commercial lending and project finance. The Group's gross retail loan portfolio grew by 2.5 per cent. from RUB287.6 billion as at 31 December 2013 to RUB294.8 billion as at 31 March 2014, primarily due to the growth of the Group's mortgage loan portfolio and consumer lending operations.

Cash and cash equivalents increased by 26.8% from RUB521.9 billion as at 31 December 2013 to RUB661.7 billion as at 31 March 2014, which is attributable primarily to the conservative policy of the Group aimed towards strengthening the Group's liquidity position in an unstable economic environment. The share of cash and cash equivalents in the Group's total assets increased from 14.3% as at 31 December 2013 to 16.9% as at 31 March 2014.

As at 31 March 2014, the Group's corporate and retail deposits amounted to RUB2,308.8 billion, representing a 2.1 per cent. increase from RUB2,260.8 billion as at 31 December 2013. The Group's corporate deposits grew by 3.6 per cent. from RUB1,867.5 billion as at 31 December 2013 to RUB1,935.4 billion as at 31 March 2014. Customer accounts continue to be the principal source of funding for the Group, the share of which in the Group's total liabilities amounted to 65.7 per cent. as at 31 March 2014. The increase in the Group's deposits was mainly due to the inflow of deposits from the Group's large corporate clients, including Gazprom Group.

The Group's securities portfolio (comprising trading securities, investments available-for-sale, investments in associates and investments held-to-maturity) decreased by 7.1 per cent. from RUB419.8 billion as at 31 December 2013 to RUB390.0 billion as at 31 March 2014 primarily due to negative revaluation of trading securities and disposals.

Asset Quality

As at 31 March 2014, the Group's non-performing loans (loans that are more than 90 days overdue and defaulted loans) amounted to RUB28.5 billion, or 1.1 per cent. of the gross loans to customers, as compared to RUB23.8 billion, or 1 per cent. of the gross loans to customers, as at 31 December 2013. As at 31 March 2014, the Group's allowance for loan impairment amounted to 3.5 per cent. of the gross loans to customers as compared to 3.2 per cent. as at 31 December 2013. The Group's charge for impairment of interest earning assets increased from RUB3.1 billion for the three months ended 31 March 2013 to RUB11.7 billion for the three months ended 31 March 2014, which is attributable primarily to the decrease in the Ruble exchange rate affecting the valuation of foreign-currency denominated loans, as well as the commencement of insolvency proceedings in respect of one of Gazprombank's corporate borrowers.

Bonds Issued

As at 31 March 2014, the Group's bonds issued amounted to RUB388.3 billion, or 11.0 per cent. of its liabilities, as compared to RUB341.1 billion, or 10.5 per cent. of the Group's liabilities, as at 31 December 2013.

During the three months ended 31 March 2014, the Group issued the following eurobonds:

- In January 2014, the Group issued CNY1 billion eurobonds bearing interest at 4.25 per cent. per annum and maturing in January 2017.
- In February 2014, the Group issued CHF350 million subordinated eurobonds bearing interest at 5.125 per cent. per annum and maturing in May 2024.
- In March 2014, the Group issued U.S.\$750 million eurobonds bearing interest at 4.96 per cent. per annum and maturing in September 2019.

Subsequent Events

In May 2014, the Group issued RUB10 billion domestic bonds bearing interest at 9.75 per cent. and maturing in 2017.

There has been no significant change in the financial or trading position or prospects of Gazprombank or the Group since 31 March 2014.

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GAZPROMBANK GROUP
Condensed Interim Consolidated
Financial Information (Unaudited)
Three Months Ended 31 March 2014

Shareholding of the Bank

	31 March 2014	31 December 2013
Non-State Pension Fund "Gazfond" *	49.65%	49.65%
OAo "Gazprom"	35.54%	35.54%
State Corporation "Bank for Development and Foreign Economic Affairs" (Vnesheconombank)	10.19%	10.19%
Treasury stock **	4.22%	4.22%
Individuals	0.40%	0.40%
	100.00%	100.00%

* - including 43.57% managed by ZAO "Leader" (an asset management company) on behalf of Non-State Pension Fund "Gazfond"

** - shares held by OOO "New Financial Technologies" (NFT), a subsidiary of the Bank; of them 0.35% are managed by ZAO "Leader" on behalf of NFT.

Board of Directors

Alexey B. Miller	Chairman of the Board of Directors	Chairman of OAO "Gazprom" Management Board
Andrey I. Akimov	Deputy Chairman of the Board of Directors	Chairman of Gazprombank Management Board
Mikhail L. Sereda	Deputy Chairman of the Board of Directors	Deputy Chairman of OAO "Gazprom" Management Board
Yury N. Shamalov	Deputy Chairman of the Board of Directors	President of Non-State Pension Fund "Gazfond"
Anatoliy A. Gavrilenko	Member of the Board of Directors	Chief Executive Officer of ZAO "Leader"
Iliya V. Eliseev	Member of the Board of Directors	Deputy Chairman of Gazprombank Management Board
Sergey S. Ivanov	Member of the Board of Directors	Chairman of OAO "Sogaz" Management Board
Yuliya S. Karpova	Member of the Board of Directors	Deputy Chairman of Vnesheconombank Management Board
Andrey V. Kruglov	Member of the Board of Directors	Deputy Chairman of OAO "Gazprom" Management Board, Head of Finance Department of OAO "Gazprom"
Kirill G. Selesnev	Member of the Board of Directors	Member of OAO "Gazprom" Management Board, Head of Department of marketing, gas and liquid hydrocarbon processing
Nikolay Y. Senkevich	Member of the Board of Directors	First Vice-President of Gazprombank
Elena A. Vasilieva	Member of the Board of Directors	Deputy Chairman of OAO "Gazprom" Management Board, Chief Accountant of OAO "Gazprom"

The composition of the Board of Directors is presented as of 16 June 2014.

Management Board

Andrey I. Akimov	Chairman of the Board	
Natalia A. Chervonenko	Deputy Chairman of the Board	Corporate lending, Trade finance
Iliya V. Eliseev	Deputy Chairman of the Board	Compliance, Media assets
Viktor A. Komanov	Deputy Chairman of the Board	Merchant banking, M&A advisory, Direct investments in resource-based industries
Nikolay G. Korenev	Deputy Chairman of the Board	Corporate governance
Svetlana E. Maluseva	Deputy Chairman of the Board	Chief Accountant
Aleksey A. Matveev	Deputy Chairman of the Board	Direct investments, Project and structured finance, Capital markets, Brokerage, Asset management
Alexandr Y. Muranov	Deputy Chairman of the Board	Corporate client relations, Corporate lending policy, Precious metals, Real estate development business
Famil K. Sadygov	Deputy Chairman of the Board	Strategy, Treasury and Financial Institutions, Heavy machinery assets
Alexandr I. Sobol	Deputy Chairman of the Board	Chief Financial Officer
Oleg M. Vaksman	Deputy Chairman of the Board	Chief Risk Officer
Yan V. Center	First Vice-President	Regional network
Andrey B. Knyazev	First Vice-President	Treasury
Andrey A. Pimenov	First Vice-President	Procurement
Igor V. Rusanov	First Vice-President	Assets & liabilities management, Wholesale funding and Investor relations
Valeriy A. Seregin	First Vice-President	Retail business, Custody services
Ekaterina V. Trofimova	First Vice-President	Chief Analytical Officer, Public relations
Vladimir N. Vinokurov	First Vice-President	Corporate security
Dmitriy V. Zauers	First Vice-President	Chief of Administration

The composition of the Management Board is presented as of 16 June 2014.

Auditors

ZAO KPMG

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Auditors' Report on Review of Condensed Interim Consolidated Financial Information

To the Shareholders and the Board of Directors

Gazprombank (Open Joint-Stock Company)

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Gazprombank (Open Joint-Stock Company) and its subsidiaries (the Group) as at 31 March 2014, and the related condensed interim consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes to the condensed interim consolidated financial information (the condensed interim consolidated financial information). Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial information as at 31 March 2014 and for the three-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.



Malyutina M.S.

Director

power of attorney dated 1 October 2013 No. 77/13

ZAO KPMG

Moscow, Russian Federation



16 June 2014

Audited entity: Gazprombank (Open Joint Stock Company).

Registered by the State Bank of the USSR on 31 July 1990, Registration No. 354.

Registered by the Central Bank of the Russian Federation on 23 January 1992, Registration No. 354.

Entered in the Unified State Register of Legal Entities on 28 August 2002 by Moscow Division of the Ministry of taxes and duties of the Russian Federation, Registration No. 1027700167110, Certificate series 77 No. 004890355.

Address of the audited entity: 16, Nametkina street, building 1, Moscow, 117420.

Independent auditor: ZAO KPMG, a company incorporated under the Laws of the Russian Federation, a part of the KPMG Europe LLP group, and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Registered by the Moscow Registration Chamber on 25 May 1992, Registration No. 011.585.

Entered in the Unified State Register of Legal Entities on 13 August 2002 by Moscow Inter-Regional Tax Inspectorate No. 39 of the Ministry of Taxes and Duties of the Russian Federation, Registration No. 1027700125628, Certificate series 77 No. 005721432.

Member of the Non-commercial Partnership "Chamber of Auditors of Russia". The Principal Registration Number of the Entry in the State Register of Auditors and Audit Organisations: No.10301000804.

GAZPROMBANK GROUP**Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Three Months Ended 31 March 2014 (unaudited)***(in millions of Russian Roubles unless otherwise stated)*

	Notes	Three months ended 31 March 2014	Three months ended 31 March 2013
Interest income		60 137	48 263
Interest expense		(35 061)	(31 133)
Net interest income	4	25 076	17 130
Impairment of interest earning assets	5	(11 687)	(3 057)
Net interest income after impairment of interest earning assets		13 389	14 073
Fees and commissions income		4 105	3 385
Fees and commissions expense		(1 725)	(1 135)
Non-interest loss from financial assets and liabilities held for trading, net	6	(4 979)	(2 403)
Gain from investments available-for-sale and investments in associates, net		698	1 591
Gain from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation, net		3 860	1 948
Other operating income		656	128
Non-interest income		2 615	3 514
Non-banking operating revenues		39 958	34 421
Non-banking operating expenses		(38 746)	(33 030)
Non-banking operating profits		1 212	1 391
Banking salaries and employment benefits		(8 315)	(7 599)
Banking administrative expenses		(5 322)	(3 887)
Impairment of assets and provisions for other risks		(1 527)	(134)
Impairment of goodwill		(739)	-
Non-interest expense		(15 903)	(11 620)
Profit before profit tax		1 313	7 358
Profit tax expense	16	(5 028)	(1 787)
(Loss) profit for the period		(3 715)	5 571
Other comprehensive (loss) income			
<i>Items that are or may be reclassified to profit or loss in subsequent periods:</i>			
Investments available-for-sale:			
Net change in fair value of investments available-for-sale		(1 160)	(583)
Net change in fair value of investments available-for-sale transferred to profit or loss		55	141
Net impairment of available-for-sale investments transferred to profit or loss		1 009	-
Net change in cash flow hedge reserve		16	-
Exchange differences on translation of foreign operations		1 080	9
Movements in other comprehensive income of associates		141	-
Total other comprehensive income (loss), net of tax		1 141	(433)
Total comprehensive (loss) income for the period		(2 574)	5 138

GAZPROMBANK GROUP
Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Three Months Ended 31 March 2014 (unaudited)
(in millions of Russian Roubles unless otherwise stated)

	Notes	Three months ended 31 March 2014	Three months ended 31 March 2013
(Loss) profit for the period attributable to:			
Group's shareholders		(3 651)	4 962
Non-controlling interests		(64)	609
		(3 715)	5 571
Total comprehensive (loss) income attributable to:			
Group's shareholders		(2 655)	4 504
Non-controlling interests		81	634
		(2 574)	5 138

Signed on behalf of the Management Board:

Andrey I. Akimov
Chairman of the Board
16 June 2014



Alexander I. Sobol
Deputy Chairman of the Board

GAZPROMBANK GROUP

Condensed Interim Consolidated Statement of Financial Position as of 31 March 2014 (unaudited)
(in millions of Russian Roubles unless otherwise stated)

	Notes	31 March 2014	31 December 2013
Assets			
Cash and cash equivalents		661 668	521 861
Obligatory reserve with the Central Bank of the Russian Federation		29 360	26 155
Due from credit institutions		8 467	7 346
Financial assets at fair value through profit or loss	7	234 190	293 277
- of which pledged under sale and repurchase agreements		85 505	123 914
Loans to customers	8	2 464 417	2 355 869
- of which pledged under borrowing agreements		347 587	128 641
Investments available-for-sale	9	44 572	45 609
- of which pledged under sale and repurchase agreements		24 288	18 312
Investments in associates	9	48 610	52 862
Receivables and prepayments		84 233	81 098
Investments held-to-maturity		75 463	33 320
- of which pledged under sale and repurchase agreements		25 333	4 080
Inventories		57 755	57 152
Deferred tax assets		16 167	19 780
Property, plant and equipment		84 232	81 649
Intangibles		54 721	33 516
Goodwill	16	34 904	23 795
Other assets		16 873	13 691
Total assets		3 915 632	3 646 980
Liabilities			
Financial liabilities at fair value through profit or loss	7	6 847	3 214
Amounts owed to credit institutions	10	567 527	430 222
Amounts owed to customers	11	2 308 834	2 260 816
Bonds issued	16	388 254	341 074
Deferred tax liabilities		5 024	6 628
Subordinated debts	16	116 963	97 092
Other liabilities		121 473	104 869
Total liabilities		3 514 922	3 243 915
Equity			
Share capital		36 370	36 370
Additional paid-in capital		109 103	109 103
Treasury shares		(8 060)	(8 060)
Perpetual debt issued		35 687	32 729
Foreign currency translation reserve		2 904	1 969
Fair value and cash flow hedge reserves		(583)	(503)
Retained earnings		220 104	225 866
Total equity attributable to the Group's shareholders		395 525	397 474
Non-controlling interests		5 185	5 591
Total equity		400 710	403 065
Total liabilities and equity		3 915 632	3 646 980

Signed on behalf of the Management Board:

Andrey I. Akimov
Chairman of the Board
16 June 2014



Alexander I. Sobol
Deputy Chairman of the Board

The accompanying notes are an integral part of this condensed interim consolidated financial information.

GAZPROMBANK GROUP
Condensed Interim Consolidated Statement of Changes in Equity for the Three Months Ended 31 March 2014 (unaudited)
(in millions of Russian Roubles unless otherwise stated)

	Share capital	Additional paid-in capital	Treasury shares	Perpetual debt issued	Foreign currency translation reserve	Fair value reserve for securities available-for sale and cash flow hedge reserve	Retained earnings	Equity attributable to the Group's shareholders	Non- controlling interests	Total equity
31 December 2012	36 370	102 201	(11 163)	30 373	129	546	201 304	359 760	3 702	363 462
Profit for the period	-	-	-	-	-	-	4 962	4 962	609	5 571
<i>Items that are or may be reclassified to profit or loss in subsequent periods:</i>										
Net change in fair value of investments available-for-sale	-	-	-	-	-	(583)	-	(583)	-	(583)
Net change in fair value of investments available-for-sale transferred to profit or loss	-	-	-	-	-	141	-	141	-	141
Exchange differences on translating foreign operations	-	-	-	-	(16)	-	-	(16)	25	9
<i>Total items that are or may be reclassified to profit or loss in subsequent periods</i>	-	-	-	-	(16)	(442)	-	(458)	25	(433)
Total comprehensive income	-	-	-	-	(16)	(442)	4 962	4 504	634	5 138
Foreign exchange translation of perpetual debt issued	-	-	-	710	-	-	(710)	-	-	-
Tax effect on perpetual debt issued	-	-	-	-	-	-	144	144	-	144
Acquisition and disposal of non-controlling interests in subsidiaries	-	-	-	-	-	-	(517)	(517)	1 544	1 027
31 March 2013	36 370	102 201	(11 163)	31 083	113	104	205 183	363 891	5 880	369 771

GAZPROMBANK GROUP
Condensed Interim Consolidated Statement of Changes in Equity for the Three Months Ended 31 March 2014 (unaudited)
(in millions of Russian Roubles unless otherwise stated)

	Share capital	Additional paid-in capital	Treasury shares	Perpetual debt issued	Foreign currency translation reserve	Fair value reserve for securities available-for-sale and cash flow hedge reserve	Retained earnings	Equity attributable to the Group's shareholders	Non-controlling interests	Total equity
31 December 2013	36 370	109 103	(8 060)	32 729	1 969	(503)	225 866	397 474	5 591	403 065
Loss for the period	-	-	-	-	-	-	(3 651)	(3 651)	(64)	(3 715)
Items that are or may be reclassified to profit or loss in subsequent periods:										
Net change in fair value of investments available-for-sale	-	-	-	-	-	(1 160)	-	(1 160)	-	(1 160)
Net change in fair value of investments available-for-sale transferred to profit or loss	-	-	-	-	-	55	-	55	-	55
Net impairment of investments available-for-sale transferred to profit or loss	-	-	-	-	-	1 009	-	1 009	-	1 009
Net change in hedge reserve	-	-	-	-	-	16	-	16	-	16
Exchange differences on translating foreign operations	-	-	-	-	935	-	-	935	145	1 080
Movements in other comprehensive income of associates	-	-	-	-	-	-	141	141	-	141
Total items that are or may be reclassified to profit or loss in subsequent periods	-	-	-	-	935	(80)	141	996	145	1 141
Total comprehensive income	-	-	-	-	935	(80)	(3 510)	(2 655)	81	(2 574)
Foreign exchange translation of perpetual debt issued	-	-	-	2 958	-	-	(2 958)	-	-	-
Tax effect on perpetual debt issued	-	-	-	-	-	-	591	591	-	591
Acquisition and disposal of non-controlling interests in subsidiaries	-	-	-	-	-	-	195	195	(333)	(138)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	(154)	(154)
Other movements	-	-	-	-	-	-	(80)	(80)	-	(80)
31 March 2014	36 370	109 103	(8 060)	35 687	2 904	(583)	220 104	395 525	5 185	400 710

Signed on behalf of the Management Board:

Andrey I. Akimov
Chairman of the Board
16 June 2014



Alexander I. Sobol
Deputy Chairman of the Board

The accompanying notes are an integral part of this condensed interim consolidated financial information.

GAZPROMBANK GROUP

Condensed Interim Consolidated Statement of Cash Flows for the Three Months Ended 31 March 2014 (unaudited)
(in millions of Russian Roubles unless otherwise stated)

	Three months ended 31 March 2014	Three months ended 31 March 2013
Net cash flows from operating activities	112 405	297 759
Net cash flows used in investing activities	(63 377)	(6 376)
Net cash flows from financing activities	54 630	24 147
Effect of change in exchange rates on cash and cash equivalents	36 149	4 441
Net increase in cash and cash equivalents	139 807	319 971
Cash and cash equivalents at the beginning of the period	521 861	432 138
Cash and cash equivalents at the end of the period	661 668	752 109

Signed on behalf of the Management Board:

Andrey I. Akimov
Chairman of the Board
 16 June 2014



Alexander I. Sobol
Deputy Chairman of the Board

NOTE 1 – PRINCIPAL ACTIVITIES AND ORGANIZATION

The Gazprombank Group (the Group) primarily consists of:

- Gazprombank (Open Joint-stock Company), which is the parent company,
- subsidiary banks, including GPB-Mortgage, CreditUralBank, Gazprombank (Switzerland) Ltd., Gazprombank International S.A. and Areximbank, and a number of smaller financial companies, which support the banking business,
- several significant non-banking companies.

Gazprombank (Open Joint-stock Company) (the Bank) was established in 1990. The Bank has a general banking license and a license for operations with precious metals from the Central Bank of the Russian Federation (the CBR), and licenses for securities operations and custody services from the Federal Financial Markets Service of Russia, which in 2013 became a part of the CBR. Its subsidiary banks and companies also have general banking licenses for operations in Switzerland, Luxembourg and Armenia and investment, brokerage and asset management licenses for operations in Cyprus, Luxembourg and Hong Kong.

The Bank is the third largest bank in the Russian Federation in terms of assets and equity, and it provides a broad range of commercial and investment banking services to many of Russia's leading corporations, including, among others, OAO "Gazprom" and its related parties (the Gazprom Group). The principal corporate banking services include: commercial lending, project and acquisition finance, trade finance, financial and operating leasing, deposit taking, settlements and cash management, capital markets transactions, asset management, brokerage, corporate finance and mergers and acquisitions advisory, depository and custodian services. The Bank is also involved in private equity transactions, foreign exchange and securities trading, and operations with precious metals.

The Bank provides a range of services to private individuals, including employees of its corporate clients, high net worth individuals and the general public. Retail services include: lending, deposit taking, debit and credit card services, brokerage, asset management and a range of other services.

The Bank has controlling stakes in several non-banking investments, which are consolidated in this condensed interim consolidated financial information and are presented as separate segments (see Note 3), including:

- OAO "Gazprom-Media Holding" and its subsidiaries (the Media segment) is a Russian media group of companies, the principal activities of which are TV and radio broadcasting, advertising, publishing, film production and distribution primarily undertaken in the Russian Federation.
- OAO "OMZ" and its subsidiaries (the OMZ Group) and a number of other industrial assets (together - the Machinery segment). OMZ Group produces nuclear power plant equipment, specialty steels, machinery equipment, manufacturing and mining equipment. The OMZ Group manufacturing facilities are based in the Russian Federation and the Czech Republic.

The legal address of the Bank is: Bld.1, 16, Nametkina Str., Moscow, 117420, Russian Federation.

As at 31 March 2014, OAO "Gazprom" owns 35.54% of the outstanding shares of the Group. A substantial portion of the Group's funding is from the Gazprom Group. As such the Group is economically dependent on the Gazprom Group.

This condensed interim consolidated financial information was authorized for issue by the management of the Bank on 16 June 2014.

NOTE 2 – BASIS OF PRESENTATION***a) General***

This condensed interim consolidated financial information is prepared in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. It does not include all of the information required for full financial statements, and should be read in conjunction with the consolidated financial statements of the Group for the year ended 31 December 2013, as this condensed interim consolidated financial information provides an update of previously reported financial information.

Management is responsible for the preparation of the condensed interim consolidated financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The preparation of financial information in conformity with International Financial Reporting Standards (IFRS) requires management to make judgments and key estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In preparing this condensed interim consolidated financial information the significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty are the same as those that applied to the consolidated financial statements for the year ended 31 December 2013.

b) Russian economic environment

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation which display characteristics of a developing market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. The political and economic instability witnessed in Ukraine has had and may continue to have a negative impact on the Russian economy. Certain sanctions were implemented by EU and USA against Russian officials and businessmen. The impact on the condensed consolidated interim financial information of future instability in Ukraine, should it continue, and/or additional sanctions against Russia, if they were to be implemented, is at this stage difficult to determine. This consolidated interim financial information reflects management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

c) Basis of measurement

This condensed interim consolidated financial information is prepared on the historical cost basis except that financial instruments at fair value through profit or loss and available-for-sale financial assets are stated at fair value.

d) Functional and presentation currency

The functional currency of the Bank and the majority of its subsidiaries is the Russian Rouble (RUB) as, being the national currency of the Russian Federation, it reflects the economic conditions of the majority of underlying events and circumstances relevant to them.

The condensed interim consolidated financial information is presented in millions of RUB, unless otherwise stated.

e) Accounting policies

The accounting policies applied in this condensed interim consolidated financial information are consistent with those applied by the Group in the consolidated financial statements for the year ended 31 December 2013.

Certain amendments to IFRS became effective from 1 January 2014 and have been adopted by the Group since that date. These changes do not have a significant effect on the condensed interim consolidated financial statements.

f) Hedge accounting

During the reporting period the Group designated cross-currency swaps used to hedge variable cash flows under Chinese Yuan (CNY) eurobonds as hedging instruments in qualifying hedging relationships.

g) Reclassifications

As of 31 March 2014 the Group made some minor reclassifications of amounts in the condensed interim consolidated statement of profit or loss and other comprehensive income for the three months ended 31 March 2013.

NOTE 3 – SEGMENT REPORTING

Management determined that the Group operates in the following operating segments according to IFRS 8 *Operating Segments*: Banking, Media and Machinery, which are described in Note 1. Other operations include: real estate development, natural gas trading and project engineering in the power sector (the other segment).

The Group primarily operates in the Russian Federation. Substantially all revenues from external customers are from residents of the Russian Federation. The total amount of revenues from each single external customer or group of connected customers does not exceed 10 per cent of revenues. Substantially all of non-current assets are located in the Russian Federation.

Assets of the banking segment include investments in subsidiaries representing other segments which are eliminated on consolidation.

Information regarding the results of each operating segment is disclosed below. Performance is measured based on segment profit from operations after profit tax as included in the internal management reports that are reviewed by the Management Board.

Segment information for operating segments as of 31 March 2014 and 31 December 2013 and for the three months ended 31 March 2014 and 2013 is as follows:

GAZPROMBANK GROUP
Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014 (unaudited)
(in millions of Russian Roubles unless otherwise stated)

		Banking	Media	Machinery	Other	Eliminations	Consolidated
Profit and loss information							
Three months ended 31 March 2014							
Interest income	External	59 916	75	66	80	-	60 137
<i>Interest income</i>	<i>Intersegment</i>	<i>1 981</i>	<i>145</i>	<i>11</i>	<i>23</i>	<i>(2 160)</i>	-
Interest expense	External	(34 565)	(380)	(74)	(42)	-	(35 061)
<i>Interest expense</i>	<i>Intersegment</i>	<i>(179)</i>	<i>(254)</i>	<i>(1 041)</i>	<i>(686)</i>	<i>2 160</i>	-
Net interest income (expense)		27 153	(414)	(1 038)	(625)	-	25 076
(Impairment) recovery of impairment of interest earning assets		(11 669)	-	1	(19)	-	(11 687)
Net interest income (expense) after impairment of interest earning assets		15 484	(414)	(1 037)	(644)	-	13 389
Fees and commissions income	External	4 105	-	-	-	-	4 105
<i>Fees and commissions income</i>	<i>Inter-segment</i>	<i>21</i>	-	-	-	<i>(21)</i>	-
Fees and commissions expense	External	(1 718)	-	-	(7)	-	(1 725)
<i>Fees and commissions expense</i>	<i>Inter-segment</i>	<i>-</i>	<i>(3)</i>	<i>(10)</i>	<i>(8)</i>	<i>21</i>	-
Non-interest (loss) income from financial assets and liabilities held for trading, net	External	(5 071)	-	(1)	93	-	(4 979)
Gain (loss) from investments available-for-sale and investments in associates, net	External	472	(6)	(54)	286	-	698
Gain (loss) from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation, net	External	4 635	(283)	(207)	(285)	-	3 860
Other operating income (expense)	External	607	67	(1)	(17)	-	656
Non-interest income (expense)		3 051	(225)	(273)	62	-	2 615
Non-banking operating revenues	External	-	16 778	13 476	9 704	-	39 958
Non-banking operating expenses	External	-	(14 887)	(13 974)	(9 885)	-	(38 746)
Non-banking operating profits (losses)		-	1 891	(498)	(181)	-	1 212
Banking salaries and employment benefits	External	(8 315)	-	-	-	-	(8 315)
Banking administrative expenses	External	(5 322)	-	-	-	-	(5 322)
(Impairment) recovery of impairment of assets and provisions for other risks	External	(1 841)	(179)	441	52	-	(1 527)
Impairment of goodwill	External	-	(739)	-	-	-	(739)
Non-interest income (expense)		(15 478)	(918)	441	52	-	(15 903)
Profit (loss) before profit tax		3 057	334	(1 367)	(711)	-	1 313
Profit tax (expense) benefit		(4 287)	(764)	(4)	27	-	(5 028)
Loss for the period		(1 230)	(430)	(1 371)	(684)	-	(3 715)
Loss for the period attributable to:							
Group's shareholders		(1 129)	(391)	(1 265)	(866)	-	(3 651)
Non-controlling interests		(101)	(39)	(106)	182	-	(64)
Loss for the period		(1 230)	(430)	(1 371)	(684)	-	(3 715)

GAZPROMBANK GROUP
Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014 (unaudited)
(in millions of Russian Roubles unless otherwise stated)

		Banking	Media	Machinery	Other	Eliminations	Consolidated
Profit and loss information							
Three months ended 31 March 2013							
Interest income	External	47 810	9	14	430	-	48 263
<i>Interest income</i>	<i>Inter-segment</i>	<i>1 611</i>	<i>201</i>	<i>25</i>	<i>31</i>	<i>(1 868)</i>	-
Interest expense	External	(30 920)	(125)	(46)	(42)	-	(31 133)
<i>Interest expense</i>	<i>Inter-segment</i>	<i>(257)</i>	<i>-</i>	<i>(1 080)</i>	<i>(531)</i>	<i>1 868</i>	-
Net interest income (expense)		18 244	85	(1 087)	(112)	-	17 130
(Impairment) recovery of impairment of interest earning assets		(2 985)	3	9	(84)	-	(3 057)
Net interest income (expense) after impairment of interest earning assets		15 259	88	(1 078)	(196)	-	14 073
Fees and commissions income	External	3 385	-	-	-	-	3 385
<i>Fees and commissions income</i>	<i>Inter-segment</i>	<i>22</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(22)</i>	-
Fees and commissions expense	External	(1 123)	-	(1)	(11)	-	(1 135)
<i>Fees and commissions expense</i>	<i>Inter-segment</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(22)</i>	<i>22</i>	-
Non-interest (loss) income from financial assets and liabilities held for trading, net	External	(2 459)	137	-	(81)	-	(2 403)
Gain (loss) from investments available-for-sale and investments in associates, net	External	1 718	(6)	(32)	(89)	-	1 591
Gain (loss) from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation, net	External	2 008	(147)	14	73	-	1 948
Other operating income	External	69	59	-	-	-	128
Non-interest income (expense)		3 620	43	(19)	(130)	-	3 514
Non-banking operating revenues	External	-	13 005	11 346	10 070	-	34 421
Non-banking operating expenses	External	-	(10 596)	(11 879)	(10 555)	-	(33 030)
Non-banking operating profits (losses)		-	2 409	(533)	(485)	-	1 391
Banking salaries and employment benefits	External	(7 599)	-	-	-	-	(7 599)
Banking administrative expenses	External	(3 887)	-	-	-	-	(3 887)
(Impairment) recovery of impairment of assets and provisions for other risks	External	(336)	-	202	-	-	(134)
Non-interest income (expense)		(11 822)	-	202	-	-	(11 620)
Profit (loss) before profit tax		7 057	2 540	(1 428)	(811)	-	7 358
Profit tax (expense) benefit		(1 148)	(789)	31	119	-	(1 787)
Profit (loss) for the period		5 909	1 751	(1 397)	(692)	-	5 571
Profit (loss) for the period attributable to:							
Group's shareholders		5 108	1 909	(1 416)	(639)	-	4 962
Non-controlling interests		801	(158)	19	(53)	-	609
Profit (loss) for the period		5 909	1 751	(1 397)	(692)	-	5 571

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
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	Banking	Media	Machinery	Other	Eliminations	Consolidated
Statement of financial position						
31 March 2014						
Cash and due from the CBR and credit institutions	693 394	18 044	2 305	6 004	(20 252)	699 495
Financial assets held for trading	234 296	-	76	296	(478)	234 190
Loans to customers	2 559 270	535	8	4 762	(100 158)	2 464 417
Investments available-for-sale and investments in associates	189 870	95	690	3 862	(101 335)	93 182
Receivables and prepayments	28 052	13 060	33 277	11 902	(2 058)	84 233
Investments held-to-maturity	75 462	-	-	1	-	75 463
Inventories	1 238	199	20 199	36 119	-	57 755
Property, plant and equipment and intangibles	32 753	56 267	43 139	6 794	-	138 953
Goodwill	911	31 444	1 572	977	-	34 904
All other assets	19 280	3 917	6 209	3 763	(129)	33 040
Total assets	3 834 526	123 561	107 475	74 480	(224 410)	3 915 632
Financial liabilities held for trading	6 799	-	48	-	-	6 847
Amounts owed to credit institutions	547 939	33 436	47 680	31 817	(93 345)	567 527
Amounts owed to customers	2 327 932	14	4 226	5 824	(29 162)	2 308 834
Bonds issued	388 254	-	-	-	-	388 254
Subordinated debts	116 963	-	-	-	-	116 963
All other liabilities	63 110	21 638	29 084	13 233	(568)	126 497
Total liabilities	3 450 997	55 088	81 038	50 874	(123 075)	3 514 922
	Banking	Media	Machinery	Other	Eliminations	Consolidated
Statement of financial position						
31 December 2013						
Cash and due from the CBR and credit institutions	551 411	15 878	2 203	4 697	(18 827)	555 362
Financial assets held for trading	293 274	-	66	246	(309)	293 277
Loans to customers	2 430 849	1	221	5 386	(80 588)	2 355 869
Investments available-for-sale and investments in associates	194 374	101	721	4 281	(101 006)	98 471
Receivables and prepayments	25 413	14 342	32 017	11 858	(2 532)	81 098
Investments held-to-maturity	33 319	-	-	1	-	33 320
Inventories	1 135	176	21 779	34 062	-	57 152
Property, plant and equipment and intangibles	32 447	33 904	42 175	6 639	-	115 165
Goodwill	911	20 335	1 572	977	-	23 795
All other assets	18 387	2 486	6 155	6 490	(47)	33 471
Total assets	3 581 520	87 223	106 909	74 637	(203 309)	3 646 980
Financial liabilities held for trading	3 113	-	57	44	-	3 214
Amounts owed to credit institutions	420 996	5 405	47 222	30 699	(74 100)	430 222
Amounts owed to customers	2 278 998	10	4 183	4 908	(27 283)	2 260 816
Bonds issued	341 074	-	-	-	-	341 074
Subordinated debts	97 092	-	-	-	-	97 092
All other liabilities	56 442	12 420	27 841	15 714	(920)	111 497
Total liabilities	3 197 715	17 835	79 303	51 365	(102 303)	3 243 915

NOTE 4 – NET INTEREST INCOME

Net interest income for the three months ended 31 March 2014 and 2013 comprise:

	Three months ended 31 March 2014	Three months ended 31 March 2013
Interest income		
<i>Interest income on financial assets at amortized cost:</i>		
Loans to customers:		
– Loans to legal entities	43 349	35 115
– Loans to individuals	8 742	6 513
Financial leasing	1 959	1 353
Due from credit institutions	824	760
Investments held-to-maturity	690	286
<i>Interest income on financial assets held for trading and investments available-for-sale:</i>		
Debt securities	4 573	4 236
	60 137	48 263
Interest expense		
<i>Interest expense on financial liabilities at amortized cost:</i>		
Amounts owed to customers:		
– Amounts owed to legal entities	(17 488)	(16 074)
– Amounts owed to individuals	(3 910)	(3 873)
– Promissory notes, euro commercial papers issued and certificates of deposit issued	(1 492)	(2 903)
– Ministry of Finance of the Russian Federation	-	(289)
Bonds issued	(5 727)	(5 141)
Amounts owed to credit institutions	(3 966)	(1 231)
Subordinated debts	(1 924)	(1 017)
<i>Other interest expense</i>	(554)	(605)
	(35 061)	(31 133)
Net interest income	25 076	17 130

NOTE 5 – IMPAIRMENT OF INTEREST EARNING ASSETS

Impairment of interest earning assets in the condensed interim consolidated statement of profit or loss and other comprehensive income represents the charge required in the current period to establish the total allowance for losses carried forward in accordance with IFRS.

The movements in the allowance for impairment losses on interest earning assets during the three months ended 31 March 2014 and 2013 were:

	Due from credit institutions	Loans to customers	Investments held-to- maturity	Total allowance for impairment
31 December 2012	694	65 796	447	66 937
Impairment losses (recovery of impairment)	43	3 153	(139)	3 057
Amounts written off	-	(96)	(1)	(97)
Effect of translation to presentation currency	-	35	-	35
31 March 2013	737	68 888	307	69 932

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

	Due from credit institutions	Loans to customers	Investments held-to-maturity	Total allowance for impairment
31 December 2013	939	78 694	515	80 148
Impairment losses	139	11 468	80	11 687
Amounts written off	-	(692)	-	(692)
Effect of translation to presentation currency	-	51	10	61
31 March 2014	1 078	89 521	605	91 204

NOTE 6 – NON-INTEREST LOSS FROM FINANCIAL ASSETS AND LIABILITIES HELD FOR TRADING, NET

Net non-interest loss from financial assets and liabilities held for trading for the three months ended 31 March 2014 and 2013 comprises:

	Three months ended 31 March 2014	Three months ended 31 March 2013
Corporate shares	(123)	(1 976)
Corporate bonds	(2 499)	(764)
Russian and Moscow government bonds	(2 402)	(737)
<i>Loss from securities held for trading</i>	(5 024)	(3 477)
Derivative contracts:		
- Interest swaps	259	222
- Commodity swaps	133	119
- Securities	(22)	929
- Bullion	(325)	(196)
<i>Gain on derivative contracts other than with foreign currency</i>	45	1 074
Non-interest loss from financial assets and liabilities held for trading, net	(4 979)	(2 403)

Coupon income from debt securities is recognised in interest income for the three months ended 31 March 2014 in amount of RUB 4 211 million (three months ended 31 March 2013: RUB 3 866 million).

NOTE 7 – FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss comprise:

	31 March 2014	31 December 2013
Trading securities		
<i>Not pledged</i>		
Corporate bonds	59 208	74 822
Promissory notes	35 357	40 743
Russian and Moscow government bonds	31 717	17 094
Corporate shares	9 534	31 405
	135 816	164 064
<i>Pledged under sale and repurchase agreements</i>		
Corporate bonds	47 267	56 651
Russian and Moscow government bonds	28 835	65 370
Corporate shares	9 403	1 893
	85 505	123 914
Total trading securities	221 321	287 978

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

	31 March 2014	31 December 2013
Derivative financial assets		
Derivative financial assets:		
- foreign exchange contracts	11 927	3 832
- securities contracts	309	779
- bullion contracts	64	461
- interest rate contracts	473	210
- commodity contracts	96	17
Total derivative financial assets	12 869	5 299
Total financial assets at fair value through profit or loss	234 190	293 277

Financial liabilities at fair value through profit or loss comprise:

	31 March 2014	31 December 2013
Derivative financial liabilities held for trading:		
- foreign exchange contracts	6 365	2 871
- bullion contracts	33	212
- interest rate contracts	37	44
- securities contracts	258	29
- commodities contracts	42	58
Total financial liabilities held for trading	6 735	3 214
Derivative financial liabilities held as cash flow hedge:		
- foreign exchange contracts	112	-
Total financial liabilities held as cash flow hedge	112	-
Total financial liabilities at fair value through profit or loss	6 847	3 214

NOTE 8 – LOANS TO CUSTOMERS

Loans to customers by types of loan portfolios as of 31 March 2014 comprise:

	Loans not pledged	Loans pledged	Total loans to customers
Loans to legal entities, gross	1 906 728	352 365	2 259 093
Allowance for impairment	(79 501)	(4 778)	(84 279)
Loans to legal entities, net	1 827 227	347 587	2 174 814
Loans to individuals, gross	294 845	-	294 845
Allowance for impairment	(5 242)	-	(5 242)
Loans to individuals, net	289 603	-	289 603
Total loans to customers, net	2 116 830	347 587	2 464 417

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

Loans to customers by types of loan portfolios as of 31 December 2013 comprise:

	Loans not pledged	Loans pledged	Total loans to customers
Loans to legal entities, gross	2 016 230	130 744	2 146 974
Allowance for impairment	(71 138)	(2 103)	(73 241)
Loans to legal entities, net	1 945 092	128 641	2 073 733
Loans to individuals, gross	287 589	-	287 589
Allowance for impairment	(5 453)	-	(5 453)
Loans to individuals, net	282 136	-	282 136
Total loans to customers, net	2 227 228	128 641	2 355 869

As of 31 March 2014 loan exposures to the Gazprom Group accounted for 1.8% (RUB 44 894 million) of the gross loan portfolio (31 December 2013: 1.8% or RUB 43 214 million). Interest rates by maturity and currency as of 31 March 2014 and 31 December 2013 comprise:

Currency	31 March 2014		31 December 2013	
	Original maturity	Range of interest rates	Original maturity	Range of interest rates
RUB	1 month - 8 years	7.7% - 12.0%	2 months - 8 years	8.2% - 12.0%
Foreign currency	3 months - 10 years	3.3% - 10.3%	2 months - 10 years	1.7% - 9.0%

As of 31 March 2014, the ten largest loan exposures accounted for RUB 474 133 million or 19% of the gross loan portfolio (31 December 2013: RUB 483 879 million or 20%).

As of 31 March 2014, RUB 28 519 million of gross loans to customers were non-performing loans (default or past due for more than 90 days) (31 December 2013: RUB 23 801 million).

a) Loans to legal entities

Loans to legal entities by types of portfolios as of 31 March 2014 comprise:

	Loans to customers, gross	Allowance for impairment	Loans to customers, net
Commercial lending	1 626 242	(55 043)	1 571 199
Acquisition and equity-backed finance	315 181	(21 698)	293 483
Project finance	317 670	(7 538)	310 132
Total loans to legal entities	2 259 093	(84 279)	2 174 814

Loans to legal entities by types of portfolios as of 31 December 2013 comprise:

	Loans to customers, gross	Allowance for impairment	Loans to customers, net
Commercial lending	1 537 154	(46 408)	1 490 746
Acquisition and equity-backed finance	312 664	(18 966)	293 698
Project finance	297 156	(7 867)	289 289
Total loans to legal entities	2 146 974	(73 241)	2 073 733

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

The breakdown of loans to legal entities by industries of the borrowers as of 31 March 2014 and 31 December 2013 as follows:

	31 March 2014	%	31 December 2013	%
Metal manufacture	295 477	13.08	282 053	13.10
Gas extraction, transportation and sale enterprises	262 222	11.61	251 660	11.70
Chemical industry	228 981	10.11	213 005	9.90
Finance and investment companies	176 912	7.83	131 808	6.10
Mining	164 088	7.26	144 233	6.70
Real estate construction	158 058	7.00	135 204	6.30
Electric power industry	133 247	5.90	125 178	5.80
Oil extraction, transportation, processing and sale enterprises	127 686	5.65	170 327	7.90
Trading enterprises	93 055	4.12	89 805	4.20
Transport	90 038	3.99	89 992	4.20
Food industry	85 563	3.79	89 977	4.20
Machine building	85 213	3.77	82 848	3.90
Petrochemical industries	43 285	1.92	63 962	3.00
Agriculture	32 534	1.44	33 964	1.60
Shipbuilding	30 378	1.35	30 242	1.40
Telecommunications	30 253	1.34	28 229	1.30
Aerospace industry	26 242	1.16	25 573	1.20
Nuclear industry	24 729	1.10	23 234	1.10
Insurance	17 709	0.78	13 930	0.70
Leasing	13 125	0.58	13 804	0.60
Timber industry	6 886	0.31	5 476	0.30
Other	133 412	5.91	102 470	4.80
	2 259 093	100.00	2 146 974	100.00
Less allowance for impairment	(84 279)		(73 241)	
Loans to legal entities, net	2 174 814		2 073 733	

Loans were issued to the following types of borrowers:

	31 March 2014	31 December 2013
Private companies, gross	2 048 825	1 937 843
Less allowance for impairment losses	(82 249)	(71 470)
Private companies, net	1 966 576	1 866 373
State controlled companies, gross	210 268	209 131
Less allowance for impairment losses	(2 030)	(1 771)
State controlled companies, net	208 238	207 360
Loans to legal entities, net	2 174 814	2 073 733

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

The ageing analysis of gross loans to legal entities as at 31 March 2014 and 31 December 2013 is shown below:

				31 March 2014
	Gross loans	Impairment allowance	Net loans	Impairment to gross loans
Loans without individual signs of impairment	2 107 132	(37 904)	2 069 228	1.8%
Impaired loans:				
-Not overdue	128 596	(26 330)	102 266	20.5%
-Overdue less than 30 days	434	(434)	-	100.0%
-Overdue 30 – 89 days	5 853	(2 694)	3 159	46.0%
-Overdue 90 – 179 days	1 061	(911)	150	85.9%
-Overdue more than 180 days	16 017	(16 006)	11	99.9%
Total impaired loans	151 961	(46 375)	105 586	30.5%
Total loans to legal entities	2 259 093	(84 279)	2 174 814	3.7%

				31 December 2013
	Gross loans	Impairment allowance	Net loans	Impairment to gross loans
Loans without individual signs of impairment	2 104 969	(43 651)	2 061 318	2.1%
Impaired loans:				
-Not overdue	25 094	(12 852)	12 242	51.2%
-Overdue less than 30 days	743	(743)	-	100.0%
-Overdue 30 – 89 days	361	(340)	21	94.2%
-Overdue 90 – 179 days	257	(124)	133	48.2%
-Overdue more than 180 days	15 550	(15 531)	19	99.9%
Total impaired loans	42 005	(29 590)	12 415	70.4%
Total loans to legal entities	2 146 974	(73 241)	2 073 733	3.4%

Included in gross loans to legal entities as at 31 March 2014 is a total of RUB 433 million (31 December 2013: RUB 610 million) interest accrued on impaired loans.

b) Loans to individuals

Loans to individuals have been extended within the Russian Federation and comprise the following:

	31 March 2014	31 December 2013
Mortgage loans originated	181 034	174 305
Mortgage loans acquired	19 579	21 405
Consumer loans	67 044	64 551
Car purchase loans	18 347	18 990
Credit cards and overdrafts	8 841	8 338
	294 845	287 589
Less allowance for impairment	(5 242)	(5 453)
Loans to individuals, net	289 603	282 136

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

The ageing analysis of loans to individuals as of 31 March 2014 and 31 December 2013 is shown below.

	31 March 2014				
	Mortgage loans	Consumer loans	Car purchase loans	Credit cards and overdrafts	Total
Loans to individuals					
- Not overdue	192 177	64 355	16 714	7 873	281 119
- Overdue less than 30 days	3 192	1 367	327	396	5 282
- Overdue 30-89 days	1 216	362	123	192	1 893
- Overdue 90-179 days	978	377	86	126	1 567
- Overdue more than 180 days	3 050	583	1 097	254	4 984
Total loans to individuals, gross	200 613	67 044	18 347	8 841	294 845
Allowance for impairment losses	(2 983)	(941)	(992)	(326)	(5 242)
Loans to individuals, net	197 630	66 103	17 355	8 515	289 603
Allowance for impairment to gross loans (%)	1.5	1.4	5.4	3.7	1.8

	31 December 2013				
	Mortgage loans	Consumer loans	Car purchase loans	Credit cards and overdrafts	Total
Loans to individuals					
- Not overdue	188 613	62 640	17 512	7 606	276 371
- Overdue less than 30 days	2 202	991	258	311	3 762
- Overdue 30-89 days	706	282	111	123	1 222
- Overdue 90-179 days	475	171	61	109	816
- Overdue more than 180 days	3 714	467	1 048	189	5 418
Total loans to individuals, gross	195 710	64 551	18 990	8 338	287 589
Allowance for impairment losses	(3 524)	(737)	(929)	(263)	(5 453)
Loans to individuals, net	192 186	63 814	18 061	8 075	282 136
Allowance for impairment to gross loans (%)	1.8	1.1	4.9	3.2	1.9

NOTE 9 – INVESTMENTS AVAILABLE-FOR-SALE AND INVESTMENTS IN ASSOCIATES

Investments available-for-sale as of 31 March 2014 and 31 December 2013 comprise:

	31 March 2014	31 December 2013
Investments available-for-sale accounted for at fair value:		
<i>Not pledged</i>		
- Corporate shares and GDRs	2 973	9 206
- Fund participation shares	2 915	3 115
- Corporate and municipal bonds	1 007	1 798
<i>Pledged under sale and repurchase agreements</i>		
- Corporate shares	4 834	-
- Corporate and municipal bonds	19 454	18 312
Investments available-for-sale accounted for at fair value	31 183	32 431

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

	31 March 2014	31 December 2013
Investments available-for-sale accounted for at cost:		
- unconsolidated subsidiaries	4 060	3 784
- associates	3 471	3 461
- other investments	5 858	5 933
Investments available-for-sale accounted for at cost	13 389	13 178
Investments available-for-sale	44 572	45 609
Investments in associates accounted for under the equity method	48 610	52 862

NOTE 10 – AMOUNTS OWED TO CREDIT INSTITUTIONS

Amounts owed to credit institutions as of 31 March 2014 and 31 December 2013 comprise:

	31 March 2014	31 December 2013
Current accounts	18 927	23 656
Term deposits	169 243	141 938
Funds from the Central Bank of the Russian Federation (CBR)	318 817	208 780
Syndicated loans	60 540	55 434
Repo agreements with parties other than the CBR	-	414
Amounts owed to credit institutions	567 527	430 222

As of 31 March 2014 the five largest exposures to credit institutions other than the Central Bank of the Russian Federation (including REPO agreements) comprise RUB 124 215 million or 22% of amounts owed to credit institutions (31 December 2013: RUB 110 756 million or 26%).

Included in repo agreements is RUB 118 377 million representing repo agreements with the Central Bank of the Russian Federation (31 December 2013: RUB 128 641 million).

Repo agreements represent short-term funding received by the Group with securities pledged as collateral to credit institutions. The following table presents information about assets sold under sale and repurchase agreements with credit institutions:

	31 March 2014	31 December 2013
Securities pledged under sale and repurchase agreements (including investments available-for-sale, trading securities and investments held-to-maturity)	135 126	146 306
Securities received as collateral under sale and repurchase agreements that are re-pledged, fair value	15 740	14 899
Total assets pledged under sale and repurchase agreements with credit institutions	150 866	161 205

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)***NOTE 11 – AMOUNTS OWED TO CUSTOMERS**

Amounts owed to customers comprise:

	31 March 2014	31 December 2013
Current accounts	1 127 702	923 314
Term deposits	1 030 980	1 160 635
Promissory notes issued	104 806	138 075
Euro commercial papers issued	45 343	38 789
Certificates of deposit issued	3	3
Amounts owed to customers	2 308 834	2 260 816

Concentration of amounts owed to customers is as follows:

	31 March 2014	31 December 2013
Ministry of Finance of the Russian Federation:		
- current accounts	87	-
- term deposits	329	301
	416	301
State controlled companies:		
- current accounts	618 386	505 696
- term deposits	310 651	344 884
	929 037	850 580
Private companies:		
- current accounts	411 746	314 574
- term deposits	444 019	525 208
	855 765	839 782
Individuals:		
- current accounts	97 483	103 044
- term deposits	275 981	290 242
	373 464	393 286
Promissory notes issued	104 806	138 075
Euro commercial papers issued	45 343	38 789
Certificates of deposit issued	3	3
Amounts owed to customers	2 308 834	2 260 816

As of 31 March 2014 current accounts and term deposits of the Gazprom Group comprised 22% (RUB 500 914 million) of the total amounts owed to customers (31 December 2013: 18% or RUB 402 262 million). Current accounts and term deposits of the Gazprom Group bear interest up to 8.95% per annum. The maturity of the Gazprom Group's deposits range from "on demand" up to 2 years.

Included in current accounts of state-controlled and private companies as of 31 March 2014 is RUB 583 035 million of minimum balances that customers are required to maintain during contractually specified periods of time (31 December 2013: RUB 529 190 million).

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)***NOTE 12 – RISK MANAGEMENT****a) Internal Risk Reporting**

Presented below is the condensed interim consolidated statement of financial position as of 31 March 2014 and 31 December 2013 in the format used for internal risk reporting and management:

	31 March 2014	31 December 2013
Assets		
Cash and due from the CBR	446 553	163 012
Due from credit institutions	246 841	388 399
Financial assets held for trading and investments available-for-sale accounted for at fair value	252 661	320 409
Loans to customers	2 559 270	2 430 849
Investments available-for-sale accounted for at cost and investments in associates	57 355	60 935
Investments held-to-maturity	75 462	33 319
All other assets	95 049	83 591
Total banking segment assets	3 733 191	3 480 514
Net assets of non-banking investments (including related non-controlling interests)	118 516	120 266
Total assets	3 851 707	3 600 780
Liabilities		
Amounts owed to credit institutions	547 939	420 996
Amounts owed to customers	2 327 932	2 278 998
Bonds issued	388 254	341 074
Subordinated debts	116 963	97 092
All other liabilities	69 909	59 555
Total banking segment liabilities	3 450 997	3 197 715
Total equity attributable to the Group's shareholders	395 525	397 474
Non-controlling interests	5 185	5 591
Total equity	400 710	403 065
Total liabilities and equity	3 851 707	3 600 780
Guarantees and letters of credit issued	475 433	456 402

b) Liquidity Risk

Liquidity (funding) risk analysis covers the whole range of banking operations and enables identification of possible periods and reasons for potential liquidity shortages. The system of liquidity risk management also includes planning of operations and immediate borrowing facilities, using a wide set of risk evaluation methods: static and dynamic gap analysis, scenario approach, including stress testing, liquidity ratios and liquidity costs estimates.

The following table provides information of the liquidity tiers included in the gap analysis (tiers are added up in layers, starting from Tier 0):

Tier	Facilities	Description
Tier 0	Contractual cash flows, new likely-to-happen operations (rollover, new business, etc.)	
Tier 1	Committed lending facilities, provided by the CBR	Borrowing facilities committed by the CBR and considered as the most stable funding sources. Secured funding from the CBR forms a liquidity cushion or "Liquidity buffer" and is available in stress conditions.
Tier 2	Market funding facilities	Borrowing facilities, available in the market in normal conditions, but restricted in case of a stress scenario: money market, client deposits.
Tiers 3-4	Medium-term funding facilities, management intervention	Additional borrowing facilities restricted by the longer arrangement period, relatively high cost of funding or by negative effect on the business plan realization: market REPO, bond issue, potentially available opportunities of secured borrowing from the CBR where availability confirmation is pending.

Gap analysis is supported by scenario analysis, including a realistic scenario (business as usual) and liquidity stress scenario. The scenario analysis is performed as a part of regular risk evaluation:

- Realistic scenario: demonstrates the average expected liquidity level
- Stress scenario demonstrates stress tolerance and the ability to maintain sufficient liquidity without implying restrictions on asset-related banking operations.

All scenario assumptions and parameters are approved by the ALM Committee, and are widely used throughout the Bank. Basic scenario assumptions are as follows:

Financial instrument/ portfolio	Realistic scenario	Stress scenario
Loan portfolio (corporate and retail)	According to the Assets and Liabilities plan Normal credit risk	According to the Assets and Liabilities plan for 1 month, lending ceases in later periods, if needed
Securities	No revaluation	Stress repricing: equities -22%, fixed income -10%
On demand deposits	Realistic (historical simulation based) outflow	Stress outflow: -100% of less stable, -20% of stable
Corporate and retail deposits	According to the Assets and Liabilities plan	Stress outflow: -25%
Long term debt	Contractual maturity	Contractual maturity
Additional funding sources	Secured (CBR collateralized facilities, REPOs) and unsecured (money market, capital markets) sources	Unsecured sources largely unavailable; Secured sources decay because of stress collateral repricing: equities -22%, fixed income -10%

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

The analysis below is presented using the remaining contractual maturities for assets and liabilities except that management believes that in spite of a substantial portion of deposits from customers being on demand (customer current/settlement accounts), diversification of these deposits by number and type of depositors and the past experience of the Bank indicates that these deposits provide a long-term and stable source of funding for the Bank. For such deposits remaining expected maturities were used for the analysis. In assessing the liquidity position for the scenarios above, management estimates that deposits repayable on demand include a stable portion of deposits that can be considered as having maturity over one month (less stable) and over 12 months (stable). The Group assesses volumes of these deposits regularly using historical simulations.

According to the estimates based on the realistic scenario, as of 31 March 2014 and 31 December 2013 withdrawals from payable on demand customer accounts will occur in the following periods:

	31 March 2014	31 December 2013
On demand	754 272	625 227
From 1 month to 12 months	69 373	46 099
Over 12 months	304 057	251 988
	1 127 702	923 314

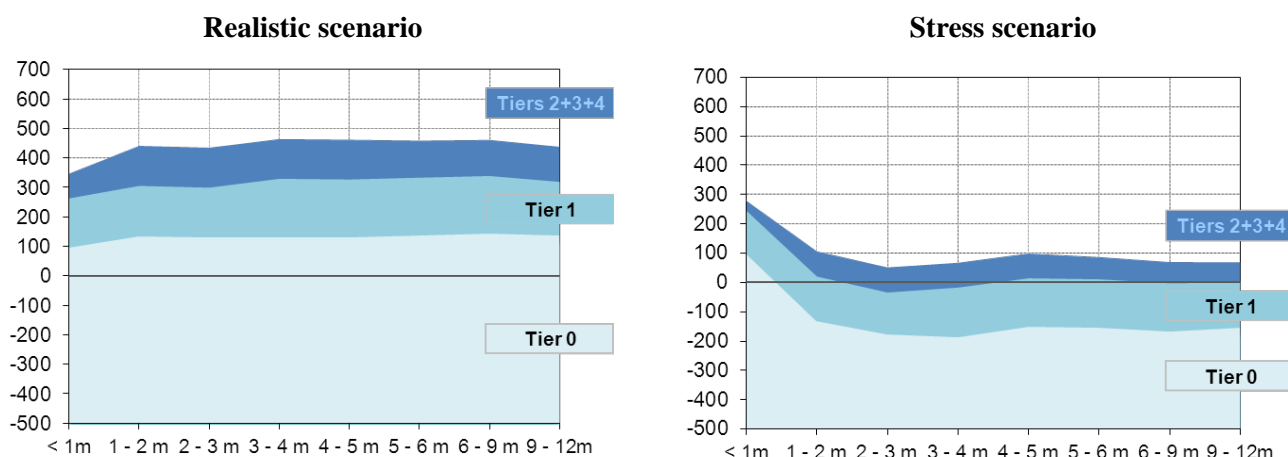
The following tables show the banking segment cash flows cumulative gap, which equals the sum of gross amounts to be received within or before each relevant time period according to maturities/redemptions of financial instruments (assets/claims) less gross amounts to be repaid within or before each time period according to maturities/redemptions of financial instruments (liabilities/obligations).

The result of the banking gap analysis as of 31 March 2014 is as follows:

Realistic scenario								
	Time bucket, months							
	less than 1	1-2	2-3	3-4	4-5	5-6	6-9	9-12
Contractual gap	(533 895)	(579 012)	(693 463)	(754 267)	(794 676)	(845 184)	(1 002 256)	(965 588)
Tier 0	98 592	136 108	133 718	133 113	133 916	139 981	145 311	137 555
Tiers 0 - 1	262 669	305 291	299 200	329 202	326 830	332 981	338 742	318 720
Tiers 0 - 4	346 390	440 823	434 732	463 699	461 327	458 509	460 913	437 882

Stress scenario								
	Time bucket, months							
	less than 1	1-2	2-3	3-4	4-5	5-6	6-9	9-12
Contractual gap	(533 895)	(579 012)	(693 463)	(754 267)	(794 676)	(845 184)	(1 002 256)	(965 588)
Tier 0	96 385	(133 202)	(178 841)	(187 774)	(153 007)	(156 480)	(170 504)	(155 835)
Tiers 0 - 1	244 807	20 325	(34 014)	(17 340)	14 251	10 865	(2 728)	(325)
Tiers 0 - 4	278 529	105 858	51 519	67 157	98 748	86 393	69 443	68 838

The following graphs illustrate liquidity gap analysis as of 31 March 2014 and are presented in billions of Russian Rubles.



Based on the results of the above analysis management assessed the liquidity of the Bank as follows.

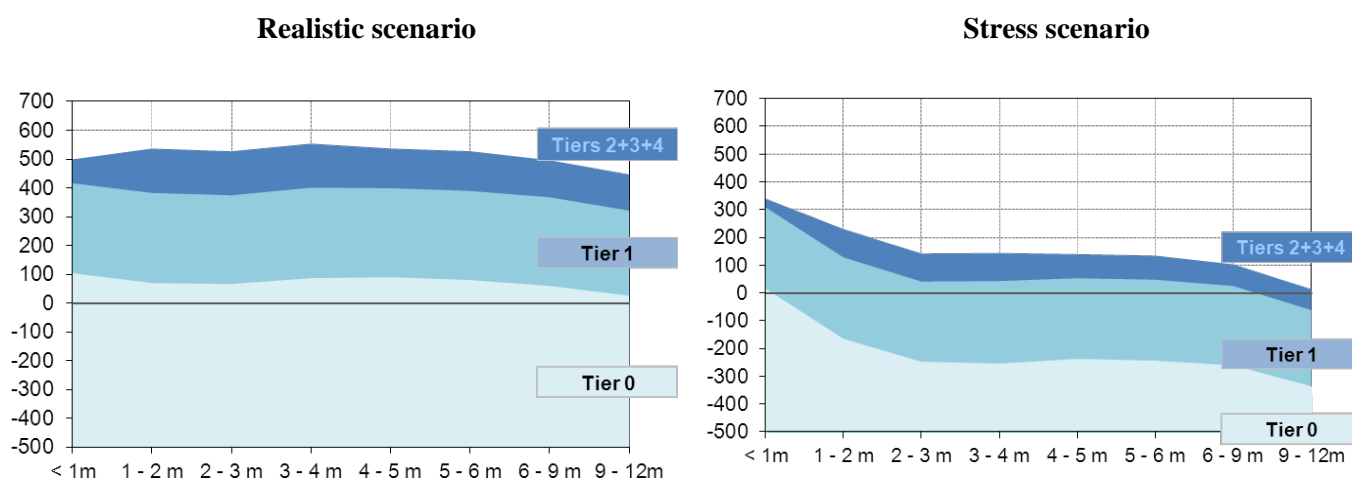
Realistic scenario: current liquidity condition is estimated as well-balanced, with no significant probability of future cash shortage and excess of readily available stock of liquidity reserves. Stress scenario: the Bank is stress tolerant and able to maintain sufficient liquidity level without implying significant restrictions on new operations within one year period.

The result of the banking segment gap analysis as of 31 December 2013 is as follows:

Realistic scenario								
	Time bucket, months							
	less than 1	1-2	2-3	3-4	4-5	5-6	6-9	9-12
Contractual gap	(588 717)	(681 360)	(830 563)	(809 263)	(785 406)	(826 025)	(946 820)	(1 074 289)
Tier 0	104 399	69 133	65 898	86 234	89 324	79 988	61 812	27 355
Tiers 0 - 1	416 398	382 772	374 495	401 262	399 139	389 804	367 796	321 405
Tiers 0 - 4	499 165	536 282	526 963	553 591	536 515	527 179	496 196	446 553

Stress scenario								
	Time bucket, months							
	less than 1	1-2	2-3	3-4	4-5	5-6	6-9	9-12
Contractual gap	(588 717)	(681 360)	(830 563)	(809 263)	(785 406)	(826 025)	(946 820)	(1 074 289)
Tier 0	15 979	(166 152)	(248 387)	(253 035)	(237 581)	(243 015)	(261 863)	(336 432)
Tiers 0 - 1	308 778	128 287	41 011	42 793	53 035	47 601	24 921	(61 582)
Tiers 0 - 4	339 821	230 139	141 875	143 526	139 601	134 167	102 985	13 400

The following graphs illustrate liquidity gap analysis as of 31 December 2013 and are presented in billions of Russian Rubles.



c) Currency risk

The Bank has assets and liabilities denominated in foreign currencies. The financial position and cash flows are exposed to the effects of fluctuations in the foreign currency exchange and precious metals rates.

The currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The ALM Committee sets limits on the level of currency risk exposure for each foreign currency (including different types of limits on derivatives) and for internal management positions (overall Gazprombank Group position, standalone Bank position, subsidiaries position, trading and investment positions). These limits also comply with the minimum requirements of the Central Bank of the Russian Federation.

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
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The exposure of the banking segment to foreign currency exchange rate risk as of 31 March 2014 and 31 December 2013 follows:

	31 March 2014				
	RUB	USD	EUR	Other	Total
Assets					
Cash and due from the CBR	133 086	155 658	157 064	745	446 553
Due from credit institutions	24 974	115 429	21 991	84 447	246 841
Financial assets held for trading and investments available-for-sale accounted for at fair value	186 290	62 897	626	2 848	252 661
Loans to customers	1 579 041	934 237	44 243	1 749	2 559 270
Investments available-for-sale accounted for at cost and investments in associates	57 355	-	-	-	57 355
Investments held-to-maturity	42 491	30 632	-	2 339	75 462
All other assets (excluding derivative foreign exchange, bullion and commodity financial instruments)	74 910	2 254	4 868	200	82 232
Total banking segment assets	2 098 147	1 301 107	228 792	92 328	3 720 374
Net assets of non-banking investments (including related non-controlling interests)	118 516	-	-	-	118 516
Total assets	2 216 663	1 301 107	228 792	92 328	3 838 890
Liabilities					
Amounts owed to credit institutions	334 669	186 481	25 429	1 360	547 939
Amounts owed to customers	1 240 557	897 840	149 238	40 297	2 327 932
Bonds issued	164 060	137 284	49 693	37 217	388 254
Subordinated debt	39 948	62 199	-	14 816	116 963
All other liabilities (excluding derivative foreign exchange, bullion and commodity financial instruments)	41 076	15 772	5 700	562	63 110
Total banking segment liabilities	1 820 310	1 299 576	230 060	94 252	3 444 198
Net recognised position (excluding derivatives)		1 531	(1 268)		
Derivatives position					
- Forwards		(6 784)	11 336		
- Options		(6 694)	22		
- Swaps		6 111	273		
- Spot deals		4 258	(15 381)		
Net derivatives position		(3 109)	(3 750)		
Net foreign currency position		(1 578)	(5 018)		

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014**
(unaudited)*(in millions of Russian Roubles unless otherwise stated)*

	31 December 2013				
	RUB	USD	EUR	Other	Total
Assets					
Cash and due from the CBR	156 189	2 506	3 792	525	163 012
Due from credit institutions	25 750	222 545	104 028	36 076	388 399
Financial assets held for trading and investments available-for-sale accounted for at fair value	245 644	72 536	1 033	1 196	320 409
Loans to customers	1 499 198	888 200	41 679	1 772	2 430 849
Investments available-for-sale accounted for at cost and investments in associates	60 935	-	-	-	60 935
Investments held-to-maturity	15 087	17 799	-	433	33 319
All other assets (excluding derivative foreign exchange, bullion and commodity financial instruments)	70 184	3 483	4 443	184	78 294
Total banking segment assets	2 072 987	1 207 069	154 975	40 186	3 475 217
Net assets of non-banking investments (including related non-controlling interests)	120 266	-	-	-	120 266
Total assets	2 193 253	1 207 069	154 975	40 186	3 595 483
Liabilities					
Amounts owed to credit institutions	225 989	173 997	18 668	2 342	420 996
Amounts owed to customers	1 285 646	874 922	105 808	12 622	2 278 998
Bonds issued	166 539	100 825	45 097	28 613	341 074
Subordinated debt	39 942	56 447	-	703	97 092
All other liabilities (excluding derivative foreign exchange, bullion and commodity financial instruments)	35 754	14 626	5 554	508	56 442
Total banking segment liabilities	1 753 870	1 220 817	175 127	44 788	3 194 602
Net recognised position (excluding derivatives)		(13 748)	(20 152)		
Derivatives position					
- Forwards		17 658	10 033		
- Options		799	14		
- Swaps		(2 977)	396		
- Spot deals		(9 384)	164		
Net derivatives position		6 096	10 607		
Net foreign currency position		(7 652)	(9 545)		

	31 March 2014	31 December 2013
Total foreign exchange VaR (10 days)	397	541

The Group also assesses the sensitivity of net profit to foreign exchange rate changes as a part of a systemic stress scenario, where stress levels of USD, Euro and other exchange rates are assumed as follows: 20% rise of USD and precious metals, and 10% rise of Euro. The stress scenario would result in a decrease of profit before tax by RUB 734 million for the three months ended 31 March 2014, assuming appropriate management responses.

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014 (unaudited)***(in millions of Russian Roubles unless otherwise stated)***NOTE 13 – RELATED PARTIES**

The Group distinguishes between the following categories of related parties:

- entities with significant influence: (a) OAO “Gazprom” and its subsidiaries; (b) Non-State Pension Fund “Gazfond” and ZAO “Leader” (on behalf of Non-State Pension Fund “Gazfond”) and their subsidiaries
- unconsolidated subsidiaries and associates of the Group
- key management personnel of the Bank and key companies in other reporting segments, including members of the Management Board of the Bank and the Board of Directors of the Bank
- other state controlled companies.

The Group is under significant influence of OAO “Gazprom”, a company controlled by the state, and in the ordinary course of business operates with various state controlled companies. A significant volume of transactions with state controlled entities relates to the Gazprom Group (see below for details).

Other significant transactions with state controlled companies include a subordinated deposit received by the Group in 2009 from Vnesheconombank. As of 31 March 2014, this deposit is RUB 39 948 million (31 December 2013: RUB 39 941 million) and carries an interest rate of 7.5% per annum (31 December 2013: 7.5% per annum). This subordinated deposit matures in December 2020 and was placed under the government program to support the Russian banking system. Other deposits placed by state controlled companies are disclosed in Note 11.

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

The table below shows the details of banking salaries and employment benefits of key management personnel for the three months ended 31 March 2014 and 2013:

	Three months ended 31 March 2014	Three months ended 31 March 2013
Short-term employee benefits	617	650
Post-employment benefits	6	14
Share-based payments	-	3
Total banking salaries and employment benefits	623	667

GAZPROMBANK GROUP*Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014 (unaudited)**(in millions of Russian Roubles unless otherwise stated)*

The Group had the following transactions outstanding with related parties:

						31 March 2014
	NPF "Gazfond", ZAO "Leader" and their subsidiaries	OAo "Gazprom" and its subsidiaries	Unconsolidated subsidiaries and associates	Key management personnel	Total	Total category as per financial statements caption
Cash and cash equivalents	-	-	26	-	26	661 668
Due from credit institutions, gross	-	-	3 033	-	3 033	9 545
Allowance for impairment, due from credit institutions	-	-	(146)	-	(146)	(1 078)
Financial assets held for trading	-	2 885	-	-	2 885	234 190
Loans to customers, gross	-	44 894	41 900	284	87 078	2 553 938
Allowance for impairment, loans to customers	-	(290)	(4 354)	-	(4 644)	(89 521)
Investments available-for-sale	1	440	7 531	-	7 972	44 572
Investments in associates	-	-	48 610	-	48 610	48 610
Receivables and prepayments, gross	1	6 955	2 612	-	9 568	87 445
Allowance for impairment, receivables and prepayments	-	-	(137)	-	(137)	(3 212)
Other assets	-	100	278	-	378	16 873
Amounts owed to credit institutions	-	-	304	-	304	567 527
Amounts owed to customers	6 502	500 914	22 671	18 280	548 367	2 308 834
Subordinated debts	-	490	-	-	490	116 963
Other liabilities	490	10 751	2 198	2 054	15 493	121 473
Undrawn loan commitments	-	149 748	3 373	74	153 195	1 058 110
Guarantees given	-	23 688	22 177	12	45 877	380 276
Provisions for losses under guarantees given	-	(103)	(211)	-	(314)	(3 341)
Letters of credit	-	26 718	856	-	27 574	82 944
Provisions for losses under letters of credit	-	(55)	(2)	-	(57)	(153)

GAZPROMBANK GROUP*Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014 (unaudited)**(in millions of Russian Roubles unless otherwise stated)*

						31 December 2013
	NPF "Gazfond", ZAO "Leader" and their subsidiaries	OAO "Gazprom" and its subsidiaries	Unconsolidated subsidiaries and associates	Key management personnel	Total	Total category as per financial statements caption
Cash and cash equivalents	-	-	1 456	-	1 456	521 861
Due from credit institutions, gross	-	-	2 782	-	2 782	8 285
Allowance for impairment due from credit institutions	-	-	(171)	-	(171)	(939)
Financial assets held for trading	-	5 546	-	-	5 546	293 277
Loans to customers, gross	-	43 214	39 871	244	83 329	2 434 563
Allowance for impairment loans to customers	-	(275)	(4 638)	-	(4 913)	(78 694)
Investments available-for-sale	1 142	440	7 245	-	8 827	45 609
Investments in associates	-	-	52 861	-	52 861	52 862
Receivables and prepayments, gross	1	6 742	1 521	-	8 264	84 087
Allowance for impairment, receivables and prepayments	-	-	(169)	-	(169)	(2 989)
Other assets	-	41	262	-	303	13 691
Amounts owed to credit institutions	-	-	277	-	277	430 222
Amounts owed to customers	4 157	402 262	15 955	15 317	437 691	2 260 816
Subordinated debts	-	470	-	-	470	97 092
Other liabilities	107	10 040	1 153	1 588	12 888	104 869
Undrawn loan commitments	-	152 915	4 401	66	157 382	988 217
Guarantees given	-	23 986	21 637	11	45 634	367 000
Provisions for losses under guarantees given	-	(87)	(177)	-	(264)	(2 744)
Letters of credit	-	20 487	785	-	21 272	76 266
Provisions for losses under letters of credit	-	(74)	(2)	-	(76)	(159)

GAZPROMBANK GROUP*Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014 (unaudited)**(in millions of Russian Roubles unless otherwise stated)*

Three months ended 31 March 2014						
	NPF "Gazfond", ZAO "Leader" and their subsidiaries	OAo "Gazprom" and its subsidiaries	Unconsolidated subsidiaries and associates	Key management personnel	Total	Total category as per financial statements caption
Interest income	-	937	1 210	-	2 147	60 137
Media business operating revenues	-	674	-	-	674	16 778
Machinery manufacturing revenues	-	4 689	377	-	5 066	13 476
Fees and commissions income	18	250	58	-	326	4 105
Other operating income	-	-	10	-	10	656
Interest expense	(249)	(5 500)	(253)	-	(6 002)	(35 061)
Media business operating expenses	-	(7)	-	(35)	(42)	(14 887)
Machinery business operating expenses	-	(12)	(89)	(212)	(313)	(13 974)
Other segment operating expenses	-	(2 402)	(1)	(22)	(2 425)	(9 885)
Banking salaries and employment benefits	-	-	(32)	(623)	(655)	(8 315)
Three months ended 31 March 2013						
	NPF "Gazfond", ZAO "Leader" and their subsidiaries	OAo "Gazprom" and its subsidiaries	Unconsolidated subsidiaries and associates	Key management personnel	Total	Total category as per financial statements caption
Interest income	-	1 057	817	-	1 874	48 263
Media business operating revenues	-	509	-	-	509	13 005
Machinery manufacturing revenues	-	283	88	-	371	11 346
Fees and commissions income	16	223	11	-	250	3 385
Other operating income	-	6	(12)	-	(6)	128
Interest expense	(223)	(2 350)	(74)	-	(2 647)	(31 133)
Media business operating expenses	(61)	(2)	-	(71)	(134)	(10 596)
Machinery business operating expenses	-	(13)	(6)	(161)	(180)	(11 879)
Other segment operating expenses	-	(2 557)	(45)	(18)	(2 620)	(10 555)
Banking salaries and employment benefits	-	-	-	(667)	(667)	(7 599)

NOTE 14 – CAPITAL ADEQUACY**Capital adequacy according to statutory requirements**

In 2013 the Central Bank of the Russian Federation introduced a Basel III-compliant framework for regulation of capital adequacy. The CBR requirements are based on the Banks's unconsolidated financial statements prepared according to the statutory legislation. The new CBR requirements and the Bank's statutory capital adequacy ratios as of 31 March 2014 and 31 December 2013 were as follows (unaudited):

	CBR minimum requirement	31 March 2014	31 December 2013
Core Tier 1 (N1.1 ratio)	5.0%	7.0%	7.2%
Tier 1 (N1.2 ratio)	5.5%	7.3%	7.5%
Overall capital adequacy (N1.0 ratio)	10.0%	11.5%	11.0%

Monitoring of Capital adequacy

At the beginning of 2013 the Centre for Monitoring of Capital Adequacy was formed as a separate unit to monitor and forecast economic capital, as well as to manage implementation of Basel II and Basel III recommendations in the Bank. In 2013 a Basel II and Basel III implementation programme was launched in the Bank to manage development of risk management procedures and methodologies in accordance with the Basel Committee on Banking Supervision recommendations.

The main objectives of the Centre for Monitoring of Capital Adequacy are (1) managing and monitoring of Basel II and Basel III implementation programme, (2) further development of internal capital adequacy assessment process and models, (3) monitoring of relevant Russian and international legislation, (4) further enhancement of corporate governance procedures for risk management, and (5) management of risk data.

Capital adequacy according to Basel II Framework

The Group applies the Basel II Framework for the purpose of capital adequacy calculation using the simplified standardised approach for credit risk measurement, the standardised measurement method for market risk and the basic indicator approach for operational risk measurement. The Basel II Framework prescribes that all banking and other relevant financial activities (both regulated and unregulated) of the Group are captured through consolidation. Since the Group holds significant majority investments in non-banking entities that are consolidated according to IFRS requirements, these investments were de-consolidated and accounted for using the equity method in order to comply with the Basel II Framework. The resulting values of significant investments in non-banking entities which exceed the materiality level determined as 15% of capital for individual investments and 60% of capital for the aggregate of such investments are deducted from capital.

As of 31 March 2014 and 31 December 2013 the carrying values of significant investments in non-banking entities did not exceed these materiality levels. An analysis of risk-weighted asset calculation as of 31 March 2014 and 31 December 2013 according to Basel II requirements is as follows:

GAZPROMBANK GROUP
Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014
(unaudited)
(in millions of Russian Roubles unless otherwise stated)

	31 March 2014			31 December 2013	
	Consolidated statement of financial position (IFRS)	Adjustment for investments in non-banking entities	Statement of financial position	Risk-weighted assets (Basel II)	Risk-weighted assets (Basel II)
Cash, obligatory reserve with the CBR and due from banks	699 495	(6 101)	693 394	293 244	114 021
Loans to customers	2 464 417	94 853	2 559 270	2 481 302	2 354 964
Investments held for trading and investments available-for sale accounted at fair value:					
- debt	222 846	401	223 247	144 752	182 379
- equity	29 658	(244)	29 414	53 536	67 967
Investments accounted at cost and under the equity method	61 999	(4 644)	57 355	30 883	35 721
- including goodwill	6 465	-	6 465	-	-
Investments in non-banking entities	-	116 339	116 339	116 339	117 588
Goodwill	34 904	(33 993)	911	-	-
All other assets	402 313	(232 713)	169 600	183 082	112 487
Total assets	3 915 632	(66 102)	3 849 530		
Total liabilities	3 514 922	(63 925)	3 450 997		
Total equity attributable to Group's shareholders	395 525	-	395 525		
Non-controlling interests	5 185	(2 177)	3 008		
Total equity	400 710	(2 177)	398 533		
Total liabilities and equity	3 915 632	(66 102)	3 849 530		
Credit-related financial commitments	1 517 836	43 813	1 561 649	403 852	390 463
Foreign exchange risk				6 596	17 197
Operational risk				169 984	169 984
Risk-weighted assets				3 883 570	3 562 771
	31 March 2014		31 December 2013		
Share capital	36 370		36 370		
Additional paid-in capital	109 103		109 103		
Treasury shares	(8 060)		(8 060)		
Applicable reserves	223 008		227 835		
Goodwill	(7 376)		(7 376)		
Non-controlling interests	3 008		2 913		
Significant investments in financial entities	(10 004)		(9 374)		
Tier I Capital	346 049		351 411		
Fair value reserve	(583)		(503)		
Subordinated debts	116 632		96 819		
Hybrid capital instruments	35 687		32 729		
Significant investments in financial entities	(10 004)		(9 374)		
Tier II Capital	141 732		119 671		
Total Capital	487 781		471 082		
Risk weighted assets:					
- credit risk	3 508 702		3 125 244		
- market risk	204 884		267 543		
- operational risk	169 984		169 984		
Risk weighted assets	3 883 570		3 562 771		
Capital adequacy ratios:					
Tier I ratio	8.9%		9.9%		
Total capital ratio	12.6%		13.2%		

NOTE 15 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group performed an assessment of its financial instruments as required by IAS 34 *Interim Financial Reporting*, IFRS 13 *Fair Value Measurement* and IFRS 7 *Financial Instruments: Disclosures*.

The estimates of fair value are intended to approximate the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants under the current market conditions. However given the uncertainties and the use of subjective judgment, the fair value should not be interpreted as being realisable in an immediate sale of the assets or settlement of liabilities.

The estimated fair values of financial assets held for trading and investments available-for-sale which are quoted in the active market are based on quoted market prices at the reporting date without any deduction for transaction costs. For securities held for trading and available-for-sale and derivative financial instruments not traded in the active market, the fair value is estimated by using valuation techniques, which include the use of recent arm's length transactions, discounted cash flow analysis and other valuation techniques commonly used by market participants.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate at the reporting date for an instrument with similar terms and conditions. Where pricing models are used, inputs are based on market related measures at the reporting date.

Risk adjusted spreads for derivative financial instruments are derived from the CDS market (when this information is available) and from historical defaults and prepayment trends adjusted for current conditions.

The estimated fair values of all other financial assets and liabilities, except as described below, are calculated using discounted cash flow techniques based on estimated future cash flows and discount rates for similar instruments at the reporting date.

The Group measures fair values for financial instruments recorded in the condensed interim consolidated statement of financial position using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

The following table shows an analysis as of 31 March 2014 and as of 31 December 2013 of financial instruments recorded at fair value:

	31 March 2014			31 December 2013		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Financial assets						
Securities held for trading	188 570	32 751	221 321	254 390	33 588	287 978
Derivative financial instruments	-	12 869	12 869	-	5 299	5 299
Investments available-for-sale	7 877	23 306	31 183	9 082	23 349	32 431
Financial liabilities						
Financial liabilities held for trading	-	(6 735)	(6 735)	-	(3 214)	(3 214)
Derivative financial liabilities held as cash flow hedge	-	(112)	(112)	-	-	-

GAZPROMBANK GROUP**Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014 (unaudited)***(in millions of Russian Roubles unless otherwise stated)*

There were no transfers between Levels 1 and 2 during the period.

As of 31 March 2014 the discount rates used for fair value calculation of Level 2 financial instruments are as follows:

	RUB	USD	EUR
Financial assets			
Securities held for trading	8.00% - 11.25%	-	-
Derivative financial instruments	7.51% - 8.66%	0.09% - 2.26%	0.20% - 0.42%
Investments available-for-sale	7.40%	-	-
Financial liabilities			
Financial liabilities held for trading	7.51% - 8.66%	0.09% - 2.26%	0.20% - 0.42%

As of 31 December 2013 the discount rates used for fair value calculation of Level 2 financial instruments are as follows:

	RUB	USD	EUR
Financial assets			
Securities held for trading	8.41% - 8.50%	-	-
Derivative financial instruments	6.02% - 6.48%	0.08% - 1.52%	0.22% - 0.29%
Investments available-for-sale	7.40% - 7.40%	-	-
Financial liabilities			
Financial liabilities held for trading	6.03% - 6.46%	0.08% - 2.43%	0.20% - 0.56%

Unquoted investments available-for-sale are stated at cost. As of 31 March 2014 unquoted investments available-for-sale amount to RUB 13 389 million (31 December 2013: RUB 13 178 million). There is no market for these investments and there have not been any recent transactions that provide evidence of the current fair value. In addition, discounted cash flow techniques yield a wide range of fair values due to the uncertainty regarding future cash flows in this industry.

The estimated fair values of all financial instruments except for unquoted equity securities available-for-sale, carried at cost, as of 31 March 2014 and 31 December 2013 approximate their carrying values. Discount rates used for estimation of fair values of major financial assets and liabilities depend on the currency and tenor of financial instruments.

NOTE 16 – SIGNIFICANT EVENTS*Acquisition of ProfMedia Group*

On 20 January 2014 the Group acquired 100% of share capital of ProfMedia Limited (Cyprus) and obtained control over a large Russian group of companies managing a number of businesses covering major media market segments (ProfMedia Group), through its ability to cast a majority of votes in the general meeting of shareholders of the acquired company. The acquired subsidiaries will increase the Group's presence in the media market.

As of the acquisition date the fair value of the total purchase consideration paid by the Group was RUB 20 766 million. The provisional fair value of assets acquired and liabilities assumed was RUB 8 918 million. The Group recognised goodwill of RUB 11 848 million subject to finalization of provisional accounting. The goodwill is primarily attributable to the significant synergies and combined cost saving expected to arise. The goodwill will not be deductible for income tax purposes in future periods.

The ProfMedia Group was consolidated in these financial statements from the date of acquisition.

GAZPROMBANK GROUP

Notes to the Condensed Interim Consolidated Financial Information for the Three Months Ended 31 March 2014
(unaudited)
(in millions of Russian Roubles unless otherwise stated)

Wholesale borrowings

The following wholesale borrowings were made by the Group on debt capital markets during three months ended 31 March 2014.

Borrowings	Currency	Notional in currency units	Rate, %	Issue	Maturity
Eurobond	CNY	1 000 000 000	4.250 %	January 2014	January 2017
Eurobond (subordinated)	CHF	350 000 000	5.125 %	February 2014	May 2024
Eurobond	USD	750 000 000	4.960 %	March 2014	September 2019

Income tax

Included in income tax expense for the three months ended 31 March 2014 is RUB 3 616 million relating to intragroup sales of investments leading to a change in the profit tax balance sheet position in two companies that are part of the Group.

NOTE 17 – SUBSEQUENT EVENTS

After 31 March 2014 the Group issued RUB 10 billion domestic bonds bearing interest at 9.75 per cent and maturing in 2017.

Signed on behalf of the Management Board:

Andrey I. Akimov
Chairman of the Board
 16 June 2014



Alexander I. Sobol
Deputy Chairman of the Board

(end)