

Auditors' Report

and

the Financial Statements

of "ICBC" (Moscow) (CJSC)

for the year ended December 31, 2011



Limited liability company

"Alt-Audit"

AUDITORS' REPORT

Attn:

Shareholders of "Industrial and Commercial Bank of China" (Moscow) (Closed Joint-Stock Company)

Audited company

Name: "Industrial and Commercial Bank of China" (Moscow) (Closed Joint-Stock Company)
(short name – "ICBC" (Moscow) (CJSC))

State registration: 1077711000157 dated 30.08.2007, registered with the CBR on October 09, 2007 No. 3475

Location: 29 Serebrianicheskaya nab., Moscow, 109028

Auditor

Name: Limited liability company "Alt-Audit" (short name — "Alt-Audit" Ltd)

State registration: PSRN: 1027739262737, date of inclusion in the public register: 26.09.2002

Location: 13, 5th Kozhukhovskaya ul., Moscow, 115193

Name of the self-regulating auditor association member of which the auditing company is: Self-regulating auditor association Non-profit partnership "Auditor Chamber of Russia" is included in the public register of self-regulating auditor associations under No. 1 pursuant to Executive Order of the Ministry of Finance of the Russian Federation No. 455 dated 01.10.2009

Number of the self-regulating auditor association in the register of auditors and auditor associations: 10401001986

We have audited the attached Financial statements of "ICBC" (Moscow) (CJSC) for the year ended December 31, 2011. The Financial statements of "ICBC" (Moscow) (CJSC) consist according to the International Financial Reporting Standards of Statement of financial position, Statement of comprehensive income, Statement of changes in equity, Statement of cash.

Responsibility of the audited company for the Financial statements

The executive body of the audited company is responsible for preparation and reliability of the mentioned Financial statements in accordance with the established regulations of preparation of financial statements and for the internal supervision system which is necessary to prepare the financial statements that do not contain substantial distortion as a result of dishonest activity or mistakes.

Responsibility of the auditor

Our responsibility consists in expressing our opinion on whether the Financial statements are reliable based on the conducted audit. We have conducted the audit pursuant to the Federal Auditing Standards. These standards require compliance with the applicable ethical principles as well as planning and conducting the audit so as to obtain reasonable assurance that the Financial statements do not contain substantial distortion.

The audit included the conducting of auditor procedures which objective was to obtain auditor evidence that confirm the numerical data in the Financial statements and the disclosure of information. The choice of auditor procedures is subject of our judgement based on the estimation of risk of substantial distortion committed as a result of dishonest activity or mistakes. During the estimation of this risk we reviewed the internal supervision system which ensures the preparation of reliable financial statements to choose auditor procedures that correspond to the task.

The audit also included the assessment of the applied accounting policy and validity of estimated figures obtained by the management of the audited entity as well as the assessment of presentation of the Financial statements.

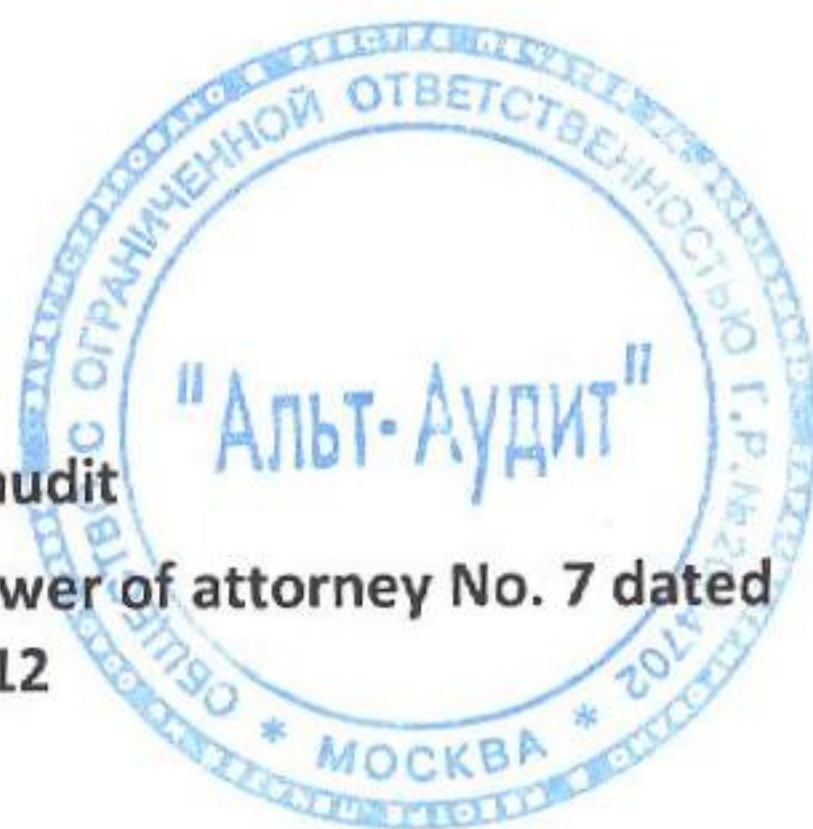
We believe that the obtained during the conducted audit evidence give a reasonable ground to express our opinion on whether the Financial statements are reliable.

Opinion

In our opinion, the Financial statements of "ICBC" (Moscow) (CJSC) reflect reliably and in all material aspects the financial standing as on December 31, 2011 and the results of its business activity and cash flows for the year ended December 31, 2011 inclusive in compliance with the International Financial Reporting Standards.

General Director
«Alt-Audit» Ltd

Head of audit
under power of attorney No. 7 dated
01.02.2012




(signature)

Pavel Afanasyevich Serebryakov,

Member of Self-regulating auditor association Non-profit partnership "Auditor Chamber of Russia"

Principal registration number in the Register of auditors 29901036914;

Auditor Qualification Certificate No. 01-000321 giving the right to practice bank audit issued for an unlimited period

Tuchina Elena Nikolaevna,

Member of Self-regulating auditor association Non-profit partnership "Auditor Chamber of Russia" 4339

Principal registration number in the Register of auditors 20401029336;

Auditor Qualification Certificate No.01-000327, giving the right to practice bank audit issued for an unlimited period



June «26», 2012

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"ICBC" (Moscow) (CJSC)
for the year ended December 31, 2011
(in thousands of Russian roubles, if not stated otherwise)

STATEMENT OF FINANCIAL POSITION

	2011	2010
ASSETS		
Cash and cash equivalents	633 047	575 173
Mandatory reserves with the CBR	173 206	10 325
Financial assets:		
• Loans and advances to other banks	5 206 403	1 450 031
• Loans and advances to customers	1 404 376	460 515
• Debt instruments held to maturity	607 090	735 913
Total financial assets	7 217 869	2 646 459
Trade and other receivables	100	15 580
Property, plant and equipment, cost model	3 170	5 132
Deferred tax assets	93	-
Other assets	13 927	17 808
Total assets	8 041 412	3 270 477
LIABILITIES AND EQUITY		
Financial liabilities:		
• Deposits from other banks	4 609 508	380 560
• Due to customers	775 542	346 942
• Subordinated debts	1 610 769	1 524 490
• Financial guarantee contracts	45	31
Total financial liabilities	6 995 864	2 252 023
Trade and other payables	496	862
Current tax liabilities	103	344
Deferred tax liabilities	-	49
Other liabilities	271	161
Total liabilities	6 996 734	2 253 439
Issued capital and reserves	1 044 678	1 017 038
Total liabilities and equity	8 041 412	3 270 477

President

Zheng Weidong

Chief accountant

O.N. Kulakova



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STATEMENT OF COMPREHENSIVE INCOME

	2011	2010
Interest income	175 809	109 270
Interest expense	(23 465)	(8 035)
Net interest income/ (negative interest margin)	152 344	101 235
Fee income	7 395	104 460
Fee expense	(899)	(561)
Net fee income/ (loss)	6 496	103 899
Net gains/ (losses) on financial instruments	(5)	(3 783)
Net gains/ (losses) on currency transactions	18 768	9 128
Other income	92	3 685
Change in an allowance account for credit losses	(34 350)	-
Administrative expenses	(112 327)	(90 385)
Other expenses	(4)	(11)
Profit/ (loss) before taxes	31 014	123 768
Income tax expense	(3 374)	(4 295)
Profit/ (loss)	27 640	119 473
Total comprehensive income	27 640	119 473

President
Zheng Weidong

Chief accountant
O.N. Kulakova






STATEMENT OF CHANGES IN EQUITY

		Issued capital	Retained earnings/ (accumulated loss)	Other reserves	Total equity
Balance at	31.12.2009	1 000 000	(102 435)	-	897 565
Total comprehensive income			119 473		119 473
Balance at	31.12.2010	1 000 000	17 038	-	1 017 038
Total comprehensive income			27 640	-	27 640
Other reserves			(843)	843	-
Balance at	31.12.2011	1 000 000	43 835	843	1 044 678

President
Zheng Weidong

Chief accountant
O.N. Kulakova



STATEMENT OF CASH FLOWS

	2011	2010
Cash flow from operating activities		
Interest received	111 464	38 486
Interest paid	(19 360)	(3 344)
Fee and commission received	7 409	104 489
Fee and commission paid	(899)	(561)
Net gains/ (losses) on financial assets at fair value through profit or loss exc. revaluation	(5)	-
Net gains/ (losses) on currency transactions exc. revaluation	26 930	9 266
Other earnings	10	35
Payments to personnel, suppliers and other except income taxes	(109 637)	(86 634)
Income taxes paid	(3 677)	(4 367)
Net cash generated from operating activities before changes in operating assets and liabilities	12 235	57 370
Decrease/ (increase) in mandatory reserves with the CBR	(162 881)	(5 994)
Decrease/ (increase) in financial assets:		
• assets held for trading		-
• loans and advances to other banks	(3 299 146)	(677 012)
• loans and advances to customers	(880 698)	(238 021)
Decrease/ (increase) in other receivables	19 410	(20 320)
Decrease/ (increase) in other assets	3 964	(3 181)
Increase/ (decrease) in financial liabilities:		
• deposits from other banks	3 819 439	315 331
• due to customers	300 683	134 111
Increase/ (decrease) in other payables	(158)	(13 536)
Increase/ (decrease) in other liabilities	(261)	68
Net cash generated from operating activities	(187 413)	(451 184)
Cash flow from investment activities		
Purchase of property, plant and equipment	(732)	(1 185)
Purchase of debt instruments held to maturity	(203 373)	(882 380)
Proceeds from redemption of debt instruments held to maturity	398 740	908 926
Net cash generated from investment activities	194 635	25 361
Cash flow from financial activities		

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 for the year ended December 31, 2011
 (in thousands of Russian roubles, if not stated otherwise)

Proceeds from bonds issued, subordinated debts and other borrowed funds	-	925 629
Repayments of bonds issued, subordinated debts and other borrowed funds	(4 465)	(4 041)
Net cash generated from financial activities	(4 465)	921 588
Net cash inflow/ (outflow)	2 757	495 765
Cash and cash equivalents at the beginning of the period	575 173	80 475
Influence of exchange rate changes on cash and cash equivalents	55 106	(1 067)
Cash and cash equivalents at the end of the period	633 036	575 173

President
 Zheng Weidong

Chief accountant
 O.N. Kulakova

