

VTB Bank**Notes to the Consolidated Financial Statements – 31 December 2009 and 2008***(in billions of Russian Roubles)***40. Consolidated Subsidiaries and Associates (continued)**

In the first quarter of 2009, Russian Commercial Bank (Cyprus) Limited issued 3,333,333 new shares with a nominal value of EUR 1.71 each totalling RUR 0.2 billion (EUR 5,700,000) of nominal value. The new shares were issued to a private company (related party to the Group) for a total consideration equalling RUR 1.4 billion (USD 39 million, USD 11.71 per share). Upon finalization of the appropriate procedures, the share of this company in the share capital of Russian Commercial Bank (Cyprus) Limited amounted to 40% and the beneficiary owners of this company were the key management personnel and the substantial majority of the employees of Russian Commercial Bank (Cyprus) Limited. The valuation of Russian Commercial Bank (Cyprus) Limited for the purpose of this transaction was performed by an independent appraiser.

In January 2009, the Group acquired a 51% share in AF-Bank, located in Azerbaijan, from an unrelated party for RUR 0.5 billion (USD 16 million). In February 2009, the bank was renamed into VTB Azerbaijan.

In January 2009, VTB Bank (Europe), Plc was renamed to "VTB Capital", Plc as a part of restructuring the investment business of the Group.

On 30 March 2009, Bank VTB 24 issued 635,703 additional ordinary shares with nominal amount of RUR 1,000 each for RUR 1,717. The total issue amounted to RUR 1,092 million and was fully purchased by the Group.

In March 2009, VTB-Leasing, OJSC issued 51,612 additional ordinary shares with nominal amount of RUR 31,000 each for the total amount of RUR 1,600 million, which was fully purchased by the Group.

In March 2009, VTB acquired shares of "VTB Bank (Georgia)", JSC from minorities, increasing its share to 84.72%.

In May 2009, VTB increased its ownership in "VTB Bank (Georgia)", JSC from 84.72% to 86.76% by purchasing 13,341,718 ordinary shares of 15,748,425 ordinary shares for the nominal value of 13,341,718 Georgian lari (RUR 271.7 million).

In August 2009, the Federal Financial Markets Service registered the results of issuance of common shares of a newly established entity "Holding VTB Capital", CJSC. VTB Group has a 100% ownership of this entity.

On 1 September 2009, the Central Bank of the Russian Federation registered the results of additional issue of common shares of VTB 24 that were fully purchased by VTB Bank. The total number of the additionally issued shares was 16,433,159 with a nominal value of RUR 1,000 each. The actual offering price per share was RUR 1,465 per share.

In September 2009, VTB Bank increased its ownership in "VTB Bank (Georgia)", JSC from 86.76% to 87.05% by purchasing 2,406,707 newly issued ordinary shares for the nominal value of 2,406,707 Georgian lari (RUR 43.5 million).

On 27 November 2009, the Central Bank of the Russian Federation registered the results of additional issue of common shares of "Bank VTB North-West", OJSC. The total number of the additionally issued shares is 293,255,132 with a nominal value of RUR 1.00 each at the actual offering price of RUR 20.46 per share. VTB Bank purchased 100% of the new shares issued.

In December 2009, VTB increased its ownership in "VTB Bank (Georgia)", JSC from 87.05% to 87.38% by purchasing 100% of 2,438,575 ordinary shares issued for the nominal value of 2,438,575 Georgian lari (RUR 44 million).

In December 2009, "Holding VTB Capital", CJSC issued 3.172 million additional ordinary shares with notional amount of RUR 1,000 each for RUR 3,172 million, which are fully purchased by the Group.