

The Annual Report of the State Corporation "Deposit Insurance Agency" for 2008

Approved by The Board of Directors
on March 17, 2009

DIA Board Management

In accordance with the Deposit Insurance Law the DIS financial basis is constituted by the mandatory deposit insurance fund (hereinafter - the Fund).

Deposit Insurance System in 2008

The Fund has increased by 17.4 billion rubles (28.2%) for the reporting period and amounted to 79.1 billion rubles as of January 1, 2009. Its major growth during the year has taken place on account of insurance premiums by banks (27.8 billion rubles). Actual Fund's expenditure on reimbursement payouts amounted to 10.6 billion rubles, recoveries to the Fund for previously paid reimbursement obtained from bank estates amounted to 0.2 billion rubles.

- Operation of Mandatory Deposit Insurance System
 - Deposit Reimbursement Payments
 - Examining DIS Member Banks
- Mandatory Deposit Insurance Fund
 - Formation of the Mandatory Deposit Insurance Fund
 - Investment of Temporary Idle Monetary Resources of the Mandatory Deposit Insurance Fund
 - Estimation of the Mandatory Deposit Insurance Fund Sufficiency
- Deposit Insurance System Impact on Household Deposit Market

As at January 1, 2009, the accumulated insurance premiums by member banks reached 67.3 billion (85%) in the structure of the Fund's sources, property contribution of the Russian Federation - 6.9 billion rubles (9%), reinvested profit - 4.9 billion rubles (6%) (Fig. 3).

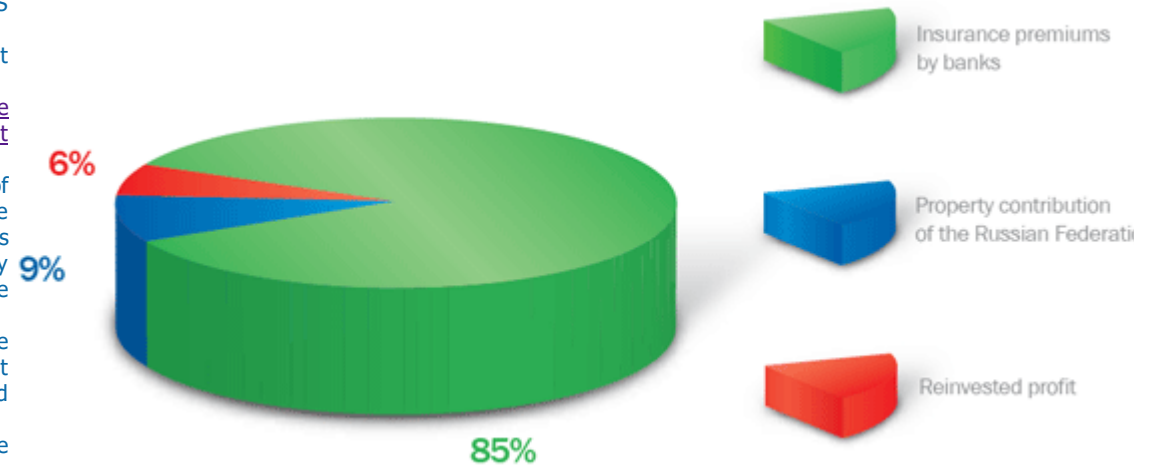


Fig. 3. Fund Structure as of January 1, 2008

Agency Performance as Corporate Bankruptcy Trustee (Liquidator) of Credit Institutions

Due to the Fund growth, its size ratio to the Agency's insurance liability by all DIS participant banks increased from 1.84% as of the start of the reporting year, to 1.88% as on January 1, 2009; not including Sberbank of Russia - from 5.11% to 5.15%, which are within the limits of acceptable values.

- Liquidation/Receivership Management
- Liquidation and Distribution of Bankruptcy Estate
- Investigating and Contesting Dubious Transactions, Bringing of Guilty Persons to Account
- Current Expenditure Management in Liquidated Banks
- Consideration and

During 2008, DIS member banks paid insurance premiums for the following settlement periods: IV quarter 2007, as well as I, II and III quarters 2007.

As per each bank, recording of operations connected with premium calculation and payment has been performed; remote examinations have been conducted of the banks' reporting on account balances of insurable individuals' deposits; calculation of insurance premiums amounts payable within the appropriate reporting period, and reconciliation thereof with amounts actually paid has been performed.

Most banks paid insurance premiums during the reporting period in full in a timely manner. However, 1.3 to 7% of banks failed to pay insurance premiums in due time, delaying payments for 1-5 days. Particularly, for adjustment of this situation, it was necessary to establish the unified approach to determination of payment term of insurance premiums and term of rendering of banks' report on account balances of insurable individuals' deposits to the Bank of Russia.

In 2008, 129 claims for outstanding nonpaid premiums were forwarded to acting DIS member banks for an overall amount of 31.1 thousand rubles; to banks with terminated licenses - 20 claims for a total amount of 6.1 million rubles. As of the reporting period expiry, 99.99% of the outstanding indebtedness for insurance premiums has fallen on banks, wherein the insured event had occurred.