

RUSSIAN STANDARD BANK GROUP

**Consolidated Financial Statements
and Auditors' Report**

30 June 2005

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AUDITORS' REPORT

To the Shareholders of Russian Standard Bank Group:

We have audited the accompanying consolidated balance sheet of Russian Standard Bank and its subsidiaries (the "Group" as defined in Note 1 to the consolidated financial statements) as at 30 June 2005 and the related consolidated statement of income, of cash flows and of changes in equity for the six-month period ended 30 June 2005. These consolidated financial statements are the responsibility of the Group's Management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2005 and the consolidated results of its operations and its cash flows for the six-month period ended 30 June 2005 in accordance with International Financial Reporting Standards.

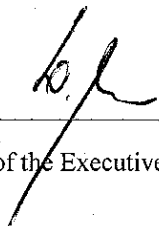


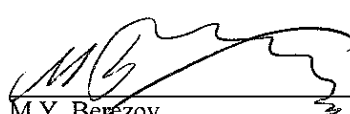
Moscow, Russian Federation
5 September 2005

Russian Standard Bank Group
Consolidated Balance Sheet as at 30 June 2005
(in thousands of Russian Roubles)

	Note	30 June 2005	31 December 2004
Assets			
Cash and cash equivalents	4	5 162 281	2 850 289
Mandatory cash balances with the Central Bank of the Russian Federation	22	350 425	267 033
Due from other banks	5	2 676 942	2 009 065
Loans and advances to customers	6	42 623 413	34 364 373
Deferred tax asset	18	304 949	310 687
Other assets	7	1 364 567	490 409
Premises and equipment	8	1 302 305	935 778
Total assets		53 784 882	41 227 634
Liabilities			
Due to other banks	9	6 755 935	4 766 733
Customer accounts	10	4 753 636	4 235 333
Debt securities in issue	11	33 275 240	23 662 775
Deferred tax liability	18	-	46 827
Other liabilities	12	305 487	903 674
Total liabilities		45 090 298	33 615 342
Equity			
Share capital	13	1 738 516	1 738 516
Share premium		672 932	672 932
Additional paid-in capital	13	148 286	148 286
Retained earnings	14	6 134 850	5 052 558
Total equity		8 694 584	7 612 292
Total liabilities and equity		53 784 882	41 227 634

Approved for issue by the Board of Directors and signed on its behalf on 5 September 2005.


 D.O. Levin
 Chairman of the Executive Board


 M.Y. Berezov
 Chief Financial Officer

Russian Standard Bank Group
Consolidated Statement of Income for the Six-month Period Ended 30 June 2005
(in thousands of Russian Roubles)

	Note	Six months ended 30 June 2005	Six months ended 30 June 2004
Interest income	15	9 229 869	4 581 013
Interest expense	15	(1 649 846)	(873 438)
Net interest income		7 580 023	3 707 575
Provision for loan impairment	6	(2 476 550)	(370 415)
Net interest income after provision for loan impairment		5 103 473	3 337 160
Foreign exchange translation gains less losses		(636 327)	72 032
Net trading gains	16	326 471	4 375
Fee and commission income		51 806	62 534
Fee and commission expense		(21 018)	(33 246)
Other operating results		2 265	(9 259)
Operating income		4 826 670	3 433 596
Operating expenses	17	(1 565 108)	(834 178)
Profit before taxation		3 261 562	2 599 418
Income tax expense	18	(791 828)	(618 916)
Profit		2 469 734	1 980 502

Russian Standard Bank Group
Consolidated Statement of Cash Flows for the Six-month Period ended 30 June 2005
(in thousands of Russian Roubles)

	Six months ended 30 June 2005	Six months ended 30 June 2004
Cash flows from operating activities		
Interest received	9 195 548	4 474 152
Interest paid	(1 541 713)	(669 121)
Net trading losses paid	(198 407)	(11 336)
Fees and commissions received	51 806	31 149
Fees and commissions paid	(21 018)	(43 829)
Other operating income received	1 510	4 323
Operating expenses paid	(1 528 240)	(796 044)
Income tax paid	(1 260 416)	(694 274)
Cash flows from operating activities before changes in operating assets and liabilities	4 699 070	2 295 020
Changes in operating assets and liabilities		
Net increase in mandatory cash balances with the Central Bank of the Russian Federation	(83 392)	(28 581)
Net increase in trading securities	-	(75 586)
Net increase in due from other banks	(494 822)	(674 876)
Net increase in loans and advances to customers	(10 708 626)	(5 587 031)
Net increase in other assets	(323 454)	(285 736)
Net increase in due to other banks	1 910 194	111 265
Net increase in customer accounts	512 605	188 111
Net (decrease)/increase in promissory notes issued	(1 739 931)	1 738 980
Net increase in other liabilities	19 649	20 291
Net cash used in operating activities	(6 208 707)	(2 298 143)
Cash flows from investing activities		
Acquisition of premises and equipment (Note 8)	(500 780)	(242 866)
Proceeds from disposal of premises and equipment (Note 8)	1 190	-
Net cash used in investing activities	(499 590)	(242 866)
Cash flows from financing activities		
Issue of debt securities, other than promissory notes	11 237 123	4 300 513
Repayment of debt securities, other than promissory notes	(827 157)	(857 178)
Equity option settlement (Note 9)	(113 608)	-
Dividends paid (Note 19)	(1 387 442)	-
Net cash from financing activities	8 908 916	3 443 335
Effect of exchange rate changes on cash and cash equivalents	111 373	1 865
Net increase in cash and cash equivalents	2 311 992	904 191
Cash and cash equivalents as at the beginning of the period	2 850 289	691 765
Cash and cash equivalents as at the end of the period (Note 4)	5 162 281	1 595 956

