

RUSSIAN STANDARD BANK GROUP

**Interim Consolidated Financial Statements
and Auditors' Report**

30 June 2006

Russian Standard Bank Group
Interim Consolidated Financial Statements and Auditors' Report

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ZAO PricewaterhouseCoopers Audit
Kosmodamianskaya nab. 52/5
115054 Moscow
Russian Federation
Telephone +7 (495) 967 6000
Facsimile +7 (495) 967 6001

AUDITORS' REPORT

To the Board of Directors of JSC Russian Standard Bank:

We have audited the accompanying interim consolidated balance sheet of JSC Russian Standard Bank and its subsidiaries (the "Group") as at 30 June 2006, and the related interim consolidated statements of income, cash flows and changes in equity for the six-month period ended 30 June 2006. These interim consolidated financial statements are the responsibility of the Group's management. Our responsibility is to express an opinion on these interim 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 interim consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the interim consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall interim consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying interim consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2006 and the consolidated results of its operations and its cash flows for the six-month period ended 30 June 2006 in accordance with International Accounting Standard 34 "Interim Financial Reporting".

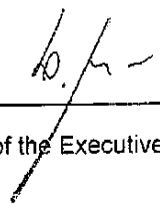
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Moscow, Russian Federation
22 August 2006

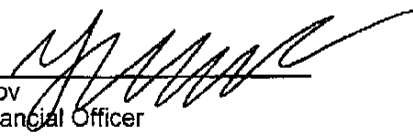
Russian Standard Bank Group
Interim Consolidated Balance Sheet

<i>In thousands of Russian Roubles</i>	Note	30 June 2006	31 December 2005
Assets			
Cash and cash equivalents	7	12 434 897	5 325 823
Mandatory cash balances with the Central Bank of the Russian Federation		889 206	523 845
Due from other banks	8	1 897 572	3 786 325
Loans and advances to customers	9	129 135 974	98 678 095
Deferred income tax asset	23	1 427 366	557 044
Other assets	10	2 546 802	1 835 265
Premises and equipment	11	2 494 722	1 895 975
Intangible assets	11	151 452	133 493
Total assets		150 977 991	112 735 865
Liabilities			
Due to other banks	12	34 993 116	22 905 047
Customer accounts	13	9 256 816	10 523 005
Debt securities in issue	14	81 916 896	59 970 790
Subordinated debt	15	5 403 059	5 744 156
Other liabilities	16	2 159 562	1 505 058
Total liabilities		133 729 449	100 648 056
Equity			
Share capital	17	1 738 516	1 738 516
Share premium		672 932	672 932
Additional paid-in capital	17	148 286	148 286
Retained earnings	18	14 688 808	9 528 075
Total equity		17 248 542	12 087 809
Total liabilities and equity		150 977 991	112 735 865

Approved for issue and signed on behalf of the Board of Directors on 22 August 2006.



 D.O. Levin
 Chairman of the Executive Board



 N.A. Itskov
 Chief Financial Officer

Russian Standard Bank Group
Interim Consolidated Statement of Income

<i>In thousands of Russian Roubles</i>	Note	Six months ended 30 June 2006	Six months ended 30 June 2005
Interest income	19	25 589 519	9 229 869
Interest expense	19	(4 199 658)	(1 649 846)
Net interest income		21 389 861	7 580 023
Provision for loan impairment	9	(8 054 883)	(2 476 550)
Net interest income after provision for loan impairment		13 334 978	5 103 473
Fee and commission income	20	976 828	51 806
Fee and commission expense		(103 145)	(21 018)
Net foreign exchange translation gains / (losses)		3 599 421	(636 327)
Net trading losses/ gains	21	(4 449 147)	326 471
Other operating results		61 517	2 265
Operating income		13 420 452	4 826 670
Administrative and other operating expenses	22	(4 808 730)	(1 565 108)
Profit before tax		8 611 722	3 261 562
Income tax expense	23	(2 056 928)	(791 828)
Profit for the period		6 554 794	2 469 734

Russian Standard Bank Group
Interim Consolidated Statement of Cash Flows

<i>In thousands of Russian Roubles</i>	Note	Six months ended 30 June 2006	Six months ended 30 June 2005
Cash flows from operating activities			
Interest received		22 577 283	9 195 548
Interest paid		(3 599 984)	(1 541 713)
Net trading losses paid		(3 283 869)	(198 407)
Fees and commissions received		963 133	51 806
Fees and commissions paid		(103 145)	(21 018)
Other operating income received		18 658	1 510
Staff cost paid		(2 099 411)	(789 965)
Administrative and other operating expenses paid		(2 294 945)	(738 275)
Income tax paid		(2 405 608)	(1 260 416)
Cash flows from operating activities before changes in operating assets and liabilities		9 772 112	4 699 070
Changes in operating assets and liabilities			
Net increase in mandatory cash balances with the Central Bank of the Russian Federation		(365 361)	(83 392)
Net decrease/(increase) in due from other banks		1 796 953	(494 822)
Net increase in loans and advances to customers		(35 591 196)	(10 708 626)
Net increase in other assets		(939 592)	(323 454)
Net increase in due to other banks		12 929 093	1 910 194
Net (decrease)/increase in customer accounts		(1 247 020)	512 605
Net decrease in promissory notes issued		(299 874)	(1 739 931)
Net (decrease)/increase in other liabilities		(763 174)	19 649
Net cash used in operating activities		(14 708 059)	(6 208 707)
Cash flows from investing activities			
Acquisition of premises and equipment	11	(830 908)	(463 236)
Proceeds from disposal of premises and equipment	11	5 792	1 190
Acquisition of intangible assets	11	(48 255)	(37 544)
Net cash used in investing activities		(873 371)	(499 590)
Cash flows from financing activities			
Issue of debt securities, other than promissory notes	14	31 023 614	11 237 123
Repayment of debt securities, other than promissory notes	14	(6 775 514)	(827 157)
Dividends paid	24	(1 394 061)	(1 387 442)
Other		-	(113 608)
Net cash from financing activities		22 854 039	8 908 916
Effect of exchange rate changes on cash and cash equivalents		(163 535)	111 373
Net increase in cash and cash equivalents		7 109 074	2 311 992
Cash and cash equivalents as at the beginning of the period	7	5 325 823	2 850 289
Cash and cash equivalents as at the end of the period	7	12 434 897	5 162 281

Russian Standard Bank Group
Interim Consolidated Statement of Changes in Equity

<i>In thousands of Russian Roubles</i>	Share capital	Share premium	Additional paid-in capital	Retained earnings	Total equity
Balance as at 1 January 2005	1 738 516	672 932	148 286	5 052 558	7 612 292
Dividends paid (Note 24)	-	-	-	(1 387 442)	(1 387 442)
Profit for the period	-	-	-	2 469 734	2 469 734
Balance as at 30 June 2005	1 738 516	672 932	148 286	6 134 850	8 694 584
Balance as at 31 December 2005	1 738 516	672 932	148 286	9 528 075	12 087 809
Dividends paid (Note 24)	-	-	-	(1 394 061)	(1 394 061)
Profit for the period	-	-	-	6 554 794	6 554 794
Balance as at 30 June 2006	1 738 516	672 932	148 286	14 688 808	17 248 542