

RUSSIAN STANDARD BANK GROUP

**Consolidated Condensed Interim Financial
Information and Independent Auditor's Report**

30 June 2008

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of JSC Russian Standard Bank:

- 1 We have audited the accompanying consolidated condensed interim financial information of JSC Russian Standard Bank and its subsidiaries (the "Group") which comprise the consolidated condensed interim balance sheet as at 30 June 2008 and the consolidated condensed interim income statement, consolidated condensed interim statement of changes in equity and consolidated condensed interim statement of cash flows for the six-month period then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Condensed Interim Financial Information

- 2 Management is responsible for the preparation and fair presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated condensed interim financial information that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

- 3 Our responsibility is to express an opinion on this consolidated condensed interim financial information based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated condensed interim financial information is free from material misstatement.
- 4 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated condensed interim financial information. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated condensed interim financial information, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated condensed interim financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated condensed interim financial information.
- 5 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

- 6 In our opinion, the accompanying consolidated condensed interim financial information is prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

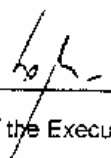
ZAO PricewaterhouseCoopers Audit

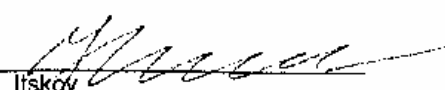
Moscow, Russian Federation
2 September 2008

Russian Standard Bank Group
Consolidated Condensed Interim Balance Sheet

<i>In millions of Russian Roubles</i>	Note	30 June 2008	31 December 2007
ASSETS			
Cash and cash equivalents	7	16 514	22 227
Mandatory cash balances with the Central Bank of the Russian Federation		3 132	2 524
Due from other banks	8	776	1 808
Loans and advances to customers	9	151 843	160 138
Current income tax prepayment		896	766
Deferred income tax asset	23	-	550
Securities at fair value through profit or loss		3 744	-
Goodwill	32	2 013	2 033
Intangible assets		1 346	1 351
Premises and equipment		5 486	5 691
Other financial assets	10	11 019	10 487
Other non-financial assets	10	1 138	1 260
TOTAL ASSETS		197 887	208 835
LIABILITIES			
Due to other banks	11	21 027	25 051
Customer accounts	12	23 017	20 237
Debt securities in issue	13	101 675	112 088
Subordinated debt	14	9 386	9 821
Deferred income tax liability	23	435	-
Other financial liabilities	15	2 840	3 524
Other non-financial liabilities	15	3 383	3 045
TOTAL LIABILITIES		161 763	173 766
EQUITY			
Share capital	16	1 739	1 739
Share premium		673	673
Additional paid-in capital		148	148
Translation reserve	17	(31)	(20)
Retained earnings	18	33 154	32 208
Net assets attributable to the Bank's equity holders		35 683	34 748
Minority interest		441	321
TOTAL EQUITY		36 124	35 069
TOTAL LIABILITIES AND EQUITY		197 887	208 835

Approved for issue and signed on behalf of the Board of Directors on 2 September 2008.


 D.O. Levin
 Chairman of the Executive Board


 N.A. Itskov
 Chief Financial Officer

Russian Standard Bank Group
Consolidated Condensed Interim Income Statement

<i>In millions of Russian Roubles</i>	Note	Six months ended 30 June 2008	Six months ended 30 June 2007
Interest income	19	25 717	35 751
Interest expense	19	(6 800)	(5 694)
Net interest income		18 917	30 057
Provision for impairment of loans to customers	9	(3 816)	(10 169)
Net interest income after provision for loan impairment		15 101	19 888
Fee and commission income	20	108	1 658
Fee and commission expense		(317)	(169)
Net foreign exchange translation gains		1 107	1 588
Net trading losses	21	(1 698)	(1 746)
Income from insurance operations		1 487	-
Expenses from insurance operations		(172)	-
Other operating income		100	285
Administrative and other operating expenses	22	(9 068)	(8 349)
Profit before tax		6 648	13 155
Income tax expense	23	(1 582)	(2 955)
Profit for the period		5 066	10 200
Profit is attributable to:			
Equity holders of the Bank		4 946	10 200
Minority interest		120	-
Profit for the period		5 066	10 200

Russian Standard Bank Group
Consolidated Condensed Interim Statement of Changes in Equity

	Attributable to equity holders of the Bank					Total	Minority interest	Total equity
	Share capital	Share premium	Addition al paid-in capital	Transla- tion reserve	Retained earnings			
<i>In millions of Russian Roubles</i>								
Balance as at 1 January 2007	1 739	673	148	(12)	22 681	25 229	-	25 229
Translation reserve (Note 17)	-	-	-	(2)	-	(2)	-	(2)
Profit for the period	-	-	-	-	10 200	10 200	-	10 200
Total recognised income for the period	-	-	-	(2)	10 200	10 198	-	10 198
Balance as at 30 June 2007	1				32	35	-	35
Balance as at 1 January 2008	1 739	673	148	(20)	32 208	34 748	321	35 069
Translation reserve (Note 17)	-	-	-	(11)	-	(11)	-	(11)
Profit for the period	-	-	-	-	4 946	4 946	120	5 066
Total recognised income for period	-	-	-	(11)	4 946	4 935	120	5 055
Dividends paid (Note 24)	-	-	-	-	(4 000)	(4 000)	-	(4 000)
Balance as at 30 June 2008	1 739	673	148	(31)	33 154	35 683	441	36 124

Russian Standard Bank Group
Consolidated Condensed Interim Statement of Cash Flows

<i>In millions of Russian Roubles</i>	Note	Six months ended 30 June 2008	Six months ended 30 June 2007
Cash flows from operating activities			
Interest received		25 506	33 060
Interest paid		(6 362)	(5 822)
Net trading losses paid		(3 968)	(2 437)
Fees and commissions received		19	1 338
Fees and commissions paid		(317)	(169)
Other operating income received		1 432	301
Staff costs paid		(3 818)	(3 762)
Other administrative and operating expenses paid		(4 265)	(3 722)
Income tax paid		(728)	(2 630)
Cash flows from operating activities before changes in operating assets and liabilities		7 499	16 157
Changes in operating assets and liabilities			
Net (increase)/decrease in mandatory cash balances with the Central Bank of the Russian Federation		(608)	39
Net decrease/(increase) in due from other banks		608	(164)
Net decrease/(increase) in loans and advances to customers		4 320	(15 184)
Net increase in securities at fair value through profit or loss		(3 744)	-
Net decrease in other assets		719	90
Net increase/(decrease) in short-term loans from other banks		3 800	(4 164)
Net increase in customer accounts		2 801	591
Net increase/(decrease) in promissory notes issued		85	(5)
Net increase in other liabilities		724	731
Net cash from /(used) in operating activities		16 204	(1 909)
Cash flows from investing activities			
Acquisition of premises and equipment		(433)	(1 421)
Proceeds from disposal of premises and equipment		64	3
Acquisition of intangible assets		(180)	(993)
Net cash used in investing activities		(549)	(2 411)
Cash flows from financing activities			
Issue of debt securities, other than promissory notes		9 375	23 851
Repayment of debt securities, other than promissory notes		(19 482)	(16 476)
Long-term loans received from other banks		1 412	6 606
Repayment of long-term loans from other banks		(8 664)	(7 963)
Dividends paid	24	(4 000)	-
Net cash (used in)/from financing activities		(21 359)	6 018
Effect of exchange rate changes on cash and cash equivalents		(9)	(2)
Net (decrease)/ increase in cash and cash equivalents		(5 713)	1 696
Cash and cash equivalents as at the beginning of the period	7	22 227	17 532
Cash and cash equivalents as at the end of the period	7	16 514	19 228

The notes set out on pages 5 to 49 form an integral part of this consolidated condensed interim financial information. 4