

JSB ROSBANK AND SUBSIDIARIES

Independent Auditors' Report

Consolidated Financial Statements
Year Ended 31 December 2003

INDEPENDENT AUDITORS' REPORT

To the Shareholders and Board of Directors of Joint Stock Bank ROSBANK:

We have audited the accompanying consolidated balance sheet of Joint Stock Bank ROSBANK and subsidiaries (hereinafter - the "Bank") as of 31 December 2003 and the related consolidated profit and loss account and statements of cash flows and changes in shareholders' equity for the year then ended. These financial statements are the responsibility of the Bank'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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2003, and the results of its operations and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.



12 March 2004, except for Note 27, for which the date is 27 April 2004

JSB ROSBANK AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2003 (in Russian Roubles and in thousands)

	Notes	2003	2002
ASSETS:			
Cash and balances with Central and National banks	10	18,155,721	6,064,192
Loans and advances to banks, less allowance for loan losses	11,24	9,428,494	8,589,104
Trading assets	12	8,265,705	7,049,989
Loans and advances to customers, less allowance for loan losses	13,24	52,344,311	33,734,172
Investment securities, less allowance for impairment	14,24	2,903,324	897,428
Fixed and intangible assets, less accumulated depreciation	15	129,530	133,371
Other assets, less allowance for losses	16	444,966	373,707
TOTAL ASSETS		<u>91,672,051</u>	<u>56,841,963</u>
LIABILITIES AND EQUITY			
LIABILITIES:			
Deposits from banks	17,24	7,560,389	4,737,460
Customer accounts	18,24	58,805,058	33,676,310
Debt securities issued	19	15,828,489	9,998,776
Provisions	20	347,395	218,255
Income tax liabilities	9	214,320	2,790
Other liabilities	21	487,665	256,085
Total liabilities		<u>83,243,316</u>	<u>48,889,676</u>
Minority interest	4	92,395	-
SHAREHOLDERS' EQUITY:			
Share capital	22	5,478,179	5,478,179
Reserves		2,858,161	2,474,108
Total shareholders' equity		<u>8,336,340</u>	<u>7,952,287</u>
TOTAL LIABILITIES AND EQUITY		<u>91,672,051</u>	<u>56,841,963</u>
FINANCIAL COMMITMENTS AND CONTINGENCIES	23,24	27,398,922	13,278,554

On behalf of the Management Board

Chairman

Chief Financial Officer

The notes on pages 6 to 45 form an integral part of these financial statements. The Independent Auditors' Report is presented on page 1.