

ABSOLUT BANK

**Summarised Financial Statements Derived from the
Audited Financial Statements**

31 December 2003

AUDITORS' REPORT ON THE SUMMARISED FINANCIAL STATEMENTS

To the Shareholders and Board of Directors of Absolut Bank:

We have audited the financial statements of Absolut Bank ("the Bank") as at 31 December 2003, from which these summarised financial statements were derived, in accordance with International Standards on Auditing.

In our report dated 29 March 2004 we expressed an opinion that the financial statements, from which the summarised financial statements were derived, present fairly, in all material respects, the financial position of the Bank as at 31 December 2003 and the results of its operations for the year then ended in accordance with International Financial Reporting Standards.

In our opinion, the accompanying summarised financial statements are consistent, in all material respects, with the financial statements from which the summarised financial statements were derived.

For a better understanding of the Bank's financial position and the results of its operations for the year, and of the scope of our audit, these summarised financial statements should be read in conjunction with the financial statements, from which the summarised financial statements were derived, and our audit report thereon.


PricewaterhouseCoopers


Moscow, Russia
29 March 2004

Absolut Bank**Summarised Financial Statements – Balance Sheet as at 31 December 2003***(in thousands of Russian Roubles)*

	2003	2002
Assets		
Cash and cash equivalents	1 556 409	994 475
Mandatory cash balances with the Central Bank of the Russian Federation	280 833	113 109
Trading securities	559 182	178 663
Due from other banks	568 287	1 423 672
Loans and advances to customers	5 364 868	2 579 682
Investment securities available for sale	121 985	42 383
Other assets	20 509	44 354
Premises and equipment	83 162	39 383
Total assets	8 555 235	5 415 721
Liabilities		
Due to other banks	2 088 735	1 738 959
Customer accounts	3 044 545	1 593 436
Promissory notes issued	1 312 323	285 637
Subordinated deposits	353 454	222 491
Other liabilities	51 347	33 187
Deferred tax liability	85 420	48 445
Total liabilities	6 935 824	3 922 155
Shareholders' equity		
Share capital	1 284 869	1 284 869
Share premium	573 149	573 149
Accumulated deficit	(238 607)	(364 452)
Total shareholders' equity	1 619 411	1 493 566
Total liabilities and shareholders' equity	8 555 235	5 415 721

Approved for issue by the Board of Directors and signed on its behalf on 29 March 2004.


O.S. Kapitonov
Chairman of the Board




E.L. Serdtseva
Chief Accountant

Absolut Bank**Summarised Financial Statements – Statement of Income for the Year Ended 31 December 2003***(in thousands of Russian Roubles)*

	2003	2002
Interest income	766 920	488 235
Interest expense	(251 228)	(132 561)
Net interest income	515 692	355 674
Provision for loan impairment	(138 210)	(115 399)
Net interest income after provision for loan impairment	377 482	240 275
Gains less losses arising from trading securities	33 211	33 505
Losses less gains arising from investment securities available for sale	(1 186)	3 947
Gains less losses arising from trading in foreign currencies	80 101	65 147
Foreign exchange translation losses less gains	(90 768)	43 163
Fee and commission income	247 639	190 297
Fee and commission expense	(73 989)	(30 375)
Provision for losses on credit related commitment	(30 424)	-
Other operating income	23 858	22 391
Operating income	565 924	568 350
Operating expenses	(228 397)	(199 701)
Monetary loss	-	(160 055)
Profit before tax	337 527	208 594
Income tax expense	(67 718)	(18 378)
Net profit	269 809	190 216
