

BANK CENTER-INVEST
Consolidated Financial Statements
and Auditors' Report
31 December 2004

AUDITORS' REPORT

To the Board of Directors of Center-invest Bank:

We have audited the accompanying consolidated balance sheet of Center-Invest Bank and its subsidiaries (the "Group" as defined in Note 1 to the consolidated financial statements) as at 31 December 2004, and the related consolidated statements of income, of cash flows and of changes in shareholders' equity for the year then ended. 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 31 December 2004 and the consolidated results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Moscow, Russian Federation
7 June 2005

Bank Center-invest

Consolidated Statement of Income for the Year Ended

31 December 2004 (in thousands of Russian Roubles)

	2004	2003 (Restated)
Interest income	772 903	567 612
Interest expense	(350 126)	(227 150)
Net interest income	422 777	340 462
Provision for loan impairment	(76 657)	(38 723)
Net interest income after provision for loan impairment	346 120	301 739
Gains less losses arising from trading securities	10 229	7 067
Gains less losses arising from trading in foreign currencies	19 322	19 547
Foreign exchange translation gains less losses	(3 190)	(4 604)
Fee and commission income	153 981	102 984
Fee and commission expense	(44 406)	(29 052)
Finance income on leasing	62 149	35 493
Heat energy revenue, net	108 831	-
Other operating income	22 194	4 776
Operating income	675 230	437 950
Operating expenses	(479 287)	(309 903)
Provision for impairment on leasing operations	(14 980)	-
Negative goodwill written off	804	31 091
Profit before tax	181 767	159 138
Income tax expense	(44 838)	(18 126)
Profit after tax	136 929	141 012
Minority interest	(5 862)	-
Net profit	131 067	141 012

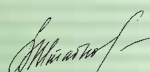
Bank Center-invest

Consolidated Balance Sheet as at 31 December 2004

(in thousands of Russian Roubles)

	2004	2003 (Restated)
Assets		
Cash and cash equivalents	754 832	790 395
Mandatory cash balances with the Central Bank of the Russian Federation	114 799	230 777
Trading securities	281 512	64 280
Due from other banks	1 060 096	542 236
Loans and advances to customers	4 939 927	2 966 130
Investment securities available for sale	14 727	11 953
Net investments in leases	383 652	149 105
Other assets	240 313	131 203
Premises and equipment	702 737	420 421
Total assets	8 492 595	5 306 500
Liabilities		
Due to other banks	1 516 962	1 061 707
Customer accounts	4 858 743	2 904 864
Promissory notes issued	173 122	183 821
Other borrowed funds	523 680	281 791
Subordinated loan	138 744	-
Other liabilities	68 424	77 350
Deferred tax liability	35 542	6 188
Total liabilities	7 315 217	4 515 721
Minority interest	36 612	31 699
Shareholders' equity		
Share capital	862 149	767 709
Share premium	136 010	18 842
Revaluation reserve for premises	279 835	206 551
Accumulated deficit	(137 228)	(234 022)
Total shareholders' equity	1 140 766	759 080
Total liabilities and shareholders' equity	8 492 595	5 306 500

Approved for issue by the Board of Directors and signed on its behalf on 7 June 2005.



A.A. Shtabnova
Chairman of the Board



E.A. Koujeleva
Chief Accountant



Bank Center-invest: your reliable partner in the South of Russia

Nine years of successful auditing according to IFRS

RUR million

		2004	2003	2002	2001	2000	1999	1998	1997	1996
Capital	IFRS*	1140.8	779.1	678.3	413.8	209.5	98.5	41.2	46.1	14.9
Assets	IFRS*	8492.6	5257.3	3124.5	1635.3	960.3	629.8	252.1	186.1	97.2
Profit/(Loss)	IFRS*	131.1	93.5	14.2	3.9	(6.8)	(11.3)	(4.3)	5.7	0.4

IFRS - International Financial Reporting Standards * Including Standard No. 29 "Accounting Under Hyperinflationary conditions" for 1999-2001

International Cooperation

 **US Agency for international Development (USAID)**
 Guarantor of the Bank Center-invest's credits for small business **\$ 6 mln**

 **International Finance Corporation**
 Corporate Governance Code
 Credit line for 5 years **\$ 5 mln**
 Subordinated loan for 6 years **\$ 5 mln**

 **COMMERZBANK**
 Line for confirmation of LCs and bank guarantees **€ 3 mln**

 **AKA Ausfuhrkredit-Gesellschaft mbH**
 Purpose credit line for 5 years **€ 5 mln**

 **European Bank for Reconstruction and Development**
 new shareholder
 Credit and guarantee line for trade financing **\$ 8 mln**
 Credit line for 5 years **\$ 5 mln**

 **State corporation SIMEST**
 Agreement to establish SMEs **€ 1 mln**

 **Raiffeisen BANK**
 Line for confirmation of LCs and bank guarantees **€ 1 mln**

 **BANK GESELLSCHAFT BERLIN**
 Purpose credit line for 5 years **€ 6 mln**
 Line for confirmation of LCs and bank guarantees **€ 1 mln**

 **State insurance company HERMES**
 Guarantor of the Bank Center-invest in german equipment purchase deal **€ 6 mln**

 **BCP**
 Banque de Commerce et de Placements
 Line for confirmation of LCs and bank guarantees **CHF 2 mln**

 **Export credit agency SACE**
 Guarantee line **€ 2 mln**

 **Russian Bank for Development**
 Credit line for 2 years **\$ 3 mln**

 **Banca Popolare di Vicenza**
 Line for confirmation of LCs and bank guarantees **€ 1 mln**

 **International Moscow Bank**
 Credit line **\$ 2 mln**

 **Donau Bank**
 DONAU-BANK
 Line for confirmation of LCs and bank guarantees **€ 2 mln**

 **DEG**
 KFW BANKENGRUPPE
 Credit line for 5 years **\$ 7,5 mln**

 **KfW banking group**
 BANKENGRUPPE
 Credit line for 6.5 years **€ 6 mln**

Contacts:

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General license of the Bank of Russia for banking operations №2225 issued January 26, 1998