

**National Bank TRUST**

**Condensed Consolidated Interim Financial Statements**

*For the Three Months Ended March 31, 2008*

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## **Independent Auditors' Report**

To the Board of Directors of National Bank TRUST

### **Report on Review of the Consolidated Interim Financial Information**

#### *Introduction*

We have reviewed the accompanying condensed consolidated interim balance sheet of National Bank TRUST and its subsidiaries (the "Group") as at 31 March 2008, and the condensed consolidated interim income statement, condensed consolidated interim statement of cash flows and condensed consolidated interim statement of changes in shareholders' equity for the three-month period then ended (the "consolidated interim financial information"). Management is responsible for the preparation and fair presentation of this consolidated interim financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this consolidated interim financial information based on our review.

#### *Scope of Review*

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the consolidated interim financial information as at 31 March 2008 and for the three-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

#### *Emphasis of Matter*

Without qualifying our report, we draw attention to the fact that the corresponding figures for the three-month period ended 31 March 2007 are unreviewed.

*ZAO KPMG*

ZAO KPMG  
23 July 2008

**National Bank TRUST**

**Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET**

	Notes	March 31, 2008 (unaudited)	December 31, 2007
<b>Assets</b>			
Cash and cash equivalents	4	23 019 962	21 196 031
Obligatory deposits with the CBR		914 748	666 419
Financial assets at fair value through profit or loss			
- unpledged	5	3 975 866	1 889 083
- pledged under sale and repurchase agreements	5	-	1 802 845
Amounts due from credit institutions		22 664	23 223
Available-for-sale assets	6	187 565	185 675
Loans to customers	7	40 424 878	36 089 573
Tax assets	16	157 145	160 028
Property, equipment and intangibles	8	3 834 144	4 113 196
Other assets		859 606	818 280
<b>Total assets</b>		<b>73 396 578</b>	<b>66 944 353</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss	5	3 286	14 304
Amounts due to credit institutions	9	4 275 264	4 619 720
Amounts due to customers	10	48 005 157	43 038 867
Debt securities issued	11	11 715 827	10 110 207
Tax liabilities	16	472 103	465 047
Other liabilities		594 868	414 355
<b>Total liabilities</b>		<b>65 066 505</b>	<b>58 662 500</b>
<b>Shareholders' equity</b>			
Share capital	12	2 896 441	2 896 441
Additional paid-in capital		4 274 435	4 274 435
Revaluation reserve for property, equipment and intangibles		579 768	587 483
Revaluation reserve for available-for-sale assets		(6 854)	(11 387)
Retained earnings		586 283	534 881
<b>Total shareholders' equity</b>		<b>8 330 073</b>	<b>8 281 853</b>
<b>Total liabilities and shareholders' equity</b>		<b>73 396 578</b>	<b>66 944 353</b>

Signed and authorized for release on behalf of the Board of the Bank on 23 July 2008.

Nikolay V. Fetisov



President of the Bank

Sergey A. Sirotin



Chief Financial Officer

The accompanying Notes are an integral part of these condensed consolidated interim financial statements.

**National Bank TRUST****Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT**

	Notes	3 months ended March 31, 2008 (unaudited)	3 months ended March 31, 2007 (unaudited)
Interest income	13	2 686 955	1 575 328
Interest expense	13	(1 104 418)	(513 118)
<b>Net interest income</b>		<b>1 582 537</b>	<b>1 062 210</b>
Allowance for impairment	7	(377 500)	(196 066)
<b>Net interest income after allowance for impairment</b>		<b>1 205 037</b>	<b>866 144</b>
Fee and commission income	14	317 451	214 238
Fee and commission expense	14	(68 014)	(43 873)
<b>Net fee and commission income</b>		<b>249 437</b>	<b>170 365</b>
Net loss on financial instruments at fair value through profit or loss		(70 759)	(33 782)
Net foreign exchange gain		41 845	26 778
Net translation loss		(25 789)	(1 693)
Other income		70 098	10 051
<b>Other non-interest income</b>		<b>15 395</b>	<b>1 354</b>
<b>Operating income</b>		<b>1 469 869</b>	<b>1 037 863</b>
Salaries and employment benefits	15	(874 466)	(555 552)
Administrative expenses	15	(382 868)	(280 882)
Depreciation and amortization	8	(115 545)	(42 526)
Other expenses		(34 907)	(41 732)
<b>Operating expense</b>		<b>(1 407 786)</b>	<b>(920 692)</b>
<b>Income before tax</b>		<b>62 083</b>	<b>117 171</b>
Income tax expenses	16	(18 396)	(24 622)
<b>Net income</b>		<b>43 687</b>	<b>92 549</b>

**National Bank TRUST****Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

	Notes	3 months ended March 31, 2008 (unaudited)	3 months ended March 31, 2007 (unaudited)
<b>Cash flows from operating activities</b>			
Interest and fees and commissions received		3 189 850	1 726 487
Interest and fees and commissions paid		(861 136)	(433 991)
Net gain/(loss) on financial instruments at fair value through profit or loss		68 350	(18 008)
Net foreign exchange gain		31 522	24 341
Other income		70 098	10 051
Salaries and employment benefits		(788 189)	(552 791)
Administrative and other expenses		(521 970)	(338 570)
<b>Cash flow provided from operating activities before changes in operating assets and liabilities</b>		<b>1 188 525</b>	<b>417 519</b>
<b>Net (increase)/decrease in operating assets:</b>			
Obligatory deposits with the CBR		(248 329)	(44 133)
Financial assets at fair value through profit or loss		(373 132)	70 805
Loans to customers		(5 018 514)	(3 105 597)
Other assets		(17 802)	(287 834)
<b>Net increase/(decrease) in operating liabilities:</b>			
Amounts due to credit institutions		(297 663)	(197 069)
Amounts due to customers		4 970 078	3 488 895
Other liabilities		163 004	49 419
<b>Net cash flows provided from operating activities before income taxes</b>		<b>366 167</b>	<b>392 005</b>
Income taxes paid		(9 889)	(26 380)
<b>Net cash flows provided from operating activities</b>		<b>356 278</b>	<b>365 625</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	8	(42 174)	(265 622)
Proceeds from sale of tangible fixed assets		226 794	934
Purchase of intangible assets	8	(21 113)	(7 645)
<b>Net cash flows provided from/(used in) investing activities</b>		<b>163 507</b>	<b>(272 333)</b>
<b>Cash flows from financing activities</b>			
Debt securities issued/(redeemed)		1 623 389	(98 153)
<b>Net cash flows provided from/(used in) financing activities</b>		<b>1 623 389</b>	<b>(98 153)</b>
<b>Effect of change in exchange rates on cash and cash equivalents</b>		<b>(319 243)</b>	<b>(57 648)</b>
<b>Net change in cash and cash equivalents</b>		<b>1 823 931</b>	<b>(62 509)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>21 196 031</b>	<b>10 371 653</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>23 019 962</b>	<b>10 309 144</b>

**National Bank TRUST****Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

	Share capital	Additional paid-in capital	Revaluation reserve for property, equipment and intangibles	Revaluation reserve for available-for-sale assets	Retained earnings	Total shareholders' equity
<b>Balance as at December 31, 2006</b>	<b>2 896 441</b>	<b>706 013</b>	<b>439 382</b>	<b>-</b>	<b>295 436</b>	<b>4 337 272</b>
Net profit	-	-	-	-	92 549	92 549
Depreciation of revaluation reserve for property, equipment and intangibles, net of deferred tax of RR 805 thousand	-	-	(2 550)	-	2 550	-
<b>Balance as at March 31, 2007 (unaudited)</b>	<b>2 896 441</b>	<b>706 013</b>	<b>436 832</b>	<b>-</b>	<b>390 535</b>	<b>4 429 821</b>
<b>Balance as at December 31, 2007</b>	<b>2 896 441</b>	<b>4 274 435</b>	<b>587 483</b>	<b>(11 387)</b>	<b>534 881</b>	<b>8 281 853</b>
Net profit	-	-	-	-	43 687	43 687
Net unrealized losses on available-for-sale assets, net of deferred tax of RR 1 432 thousand	-	-	-	4 533	-	4 533
Depreciation of revaluation reserve for property, equipment and intangibles, net of deferred tax of RR 2 436 thousand	-	-	(7 715)	-	7 715	-
<b>Balance as at March 31, 2008 (unaudited)</b>	<b>2 896 441</b>	<b>4 274 435</b>	<b>579 768</b>	<b>(6 854)</b>	<b>586 283</b>	<b>8 330 073</b>

## National Bank TRUST

### Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008

(Thousands of Russian Roubles except otherwise stated)

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#### 1. Principal Activities

These condensed consolidated interim financial statements include the financial statements of National Bank TRUST and its subsidiaries. The Bank and its subsidiaries together are referred to as the “Group”.

**National Bank TRUST** (the “Bank”) is the leading company in the Group. It was formed on 27 November 1995 as a closed joint stock company under the laws of the Russian Federation and was named Bank MENATEP St. Petersburg. On December 18, 2000 the Bank was re-organized into an open joint stock company. In March 2005 the Bank was re-named to National Bank TRUST. The Bank operates under general banking licence № 3279 from the Central Bank of the Russian Federation (the “CBR”), issued on 20 October 2006, and a licence for operations with precious metals from the CBR, issued on 20 October 2006. The Bank also possesses a licence for operations with securities from the Federal Securities Market Commission (the “FSMC”), granted on 27 November 2000, and a licence for custody services from the FSMC, granted on December 7, 2000. The Bank was accepted into the state deposit insurance scheme in December 2004. The Bank accepts deposits from the public and makes loans, transfers payments in Russia and abroad, exchanges currencies and provides other banking services to its corporate and retail customers.

The Bank has 60 branches in 54 regions of Russia. The Bank’s registered legal address is: Ulansky Lane, 24/1, Moscow, Russia, 107045.

As at March 31, 2008 the Group is ultimately controlled by TIB Holdings Limited (the “ultimate parent company”), which in its turn is controlled by three individuals who have the power to direct the transactions of the Bank at their own discretion and for their own benefit. Those individuals are Ilya S. Yurov, Sergey L. Belyaev and Nikolay V. Fetisov. At the end of 2007 the Bank announced a buyout of the shares of the Bank’s ex-shareholder Artashes A. Terzyan. Terzyan’s entire holding was bought out by the remaining three individuals.

In November 2007 Merrill Lynch bought effective control of 8.86% of the Group.

Other minority shareholders control 0.65% of the Group.

A list of subsidiaries of the Bank is disclosed in Note 19.

#### 2. Basis of Preparation

The condensed consolidated interim financial statements follow, in the context of measurement, all requirements of International Financial Reporting Standards (IFRS). The disclosures in these condensed consolidated interim financial statements have been presented in accordance with IAS 34 Interim Financial Reporting, and therefore should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 December 2007, as these condensed consolidated interim financial statements provide an update of previously reported financial information.

#### 3. Significant Accounting Policies

The significant accounting policies applied in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the Group’s annual financial statements for the year ended 31 December 2007.

##### Segment reporting

The Group has elected to early adopt definitions and requirements included in IFRS 8 “*Operating Segments*”.

An operating segment is a component of a Group:

- that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same Group),
- whose operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and
- for which discrete financial information is available.

An operating segment may engage in business activities for which it has yet to earn revenues, for example, start-up operations may be operating segments before earning revenues. Based on analysis of the requirements listed above the Management of the Group came to a conclusion that it operates in one main reportable business segment (2007: one main reportable business segment).

**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**New Standards and Interpretations not yet adopted**

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at March 31, 2008, and have not been applied in preparing these condensed consolidated interim financial statements. Of these pronouncements, potentially the following will have an impact on the Group's operations. The Group plans to adopt these pronouncements when they become effective. The Group has not yet analysed the likely impact of these new standards on its financial statements.

International Financial Reporting Standard IAS 1 "Presentation of Financial Statements" (Revised), which is effective for annual periods beginning on or after 1 January 2009, specifies how an entity should present changes in equity not resulting from transactions with owners and other changes in equity in its financial statements, and introduces certain other requirements in respect of presentation of information in the financial statements.

The amendment to Appendix of International Financial Reporting Standard IAS 18 "Revenue", which is effective for annual periods beginning on or after 1 January 2009, eliminates the mismatch in the definition of transaction costs (as defined in International Financial Reporting Standard IAS 39 "Financial Instruments: Recognition and Measurement") and related direct costs (as previously defined in International Financial Reporting Standard IAS 18). Under the amended standard only related transaction costs (as defined in IAS 39) can be deferred and recognized as an adjustment to the effective interest rate. Application of this amendment will result in the change of the effective interest rate structure as internal administrative costs will no longer be permitted to be deferred and recognized as an adjustment to the effective interest rate.

**4. Cash and Cash Equivalents**

Cash and cash equivalents comprise:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
Cash on hand	1 637 136	1 967 632
Nostro accounts with the CBR	4 643 741	4 780 421
Nostro accounts with other credit institutions	765 254	1 120 104
Short-term deposits with other credit institutions	15 973 831	13 327 874
<b>Cash and cash equivalents</b>	<b>23 019 962</b>	<b>21 196 031</b>

As of March 31, 2008 the Group had three borrowers (December 31, 2007: two borrowers) with aggregated balances of short-term deposits above 10% of shareholder's equity each. The aggregate amount of these short-term deposits was RR 13 987 353 thousand (December 31, 2007: RR 12 714 803 thousand).

Information on related party balances is disclosed in Note 18.

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**National Bank TRUST**

**Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**5. Financial Instruments at Fair Value through Profit or Loss**

Financial assets and liabilities at fair value through profit or loss comprise:

	March 31, 2008 (unaudited)	December 31, 2007
<b>Assets</b>		
<i>Unpledged</i>		
<b>Debt and other fixed-income instruments</b>		
<b>Government and municipal bonds</b>		
Federal loan bonds (OFZ)	2 975 456	1 307 715
Regional authorities and municipal bonds	438 877	8 717
Corporate bonds	547 793	558 676
<b>Equity investments</b>		
Corporate shares	13 325	13 424
<b>Derivative financial instruments</b>		
Foreign currency contracts	415	551
<b>Total unpledged financial assets at fair value through profit or loss</b>	<b>3 975 866</b>	<b>1 889 083</b>
<i>Pledged under sale and repurchase agreements</i>		
<b>Debt and other fixed-income instruments</b>		
<b>Government and municipal bonds</b>		
Federal loan bonds (OFZ)	-	1 353 214
Regional authorities and municipal bonds	-	449 631
<b>Total government and municipal bonds</b>	<b>-</b>	<b>1 802 845</b>
<b>Total pledged financial assets at fair value through profit or loss</b>	<b>-</b>	<b>1 802 845</b>
<b>Total financial assets at fair value through profit or loss</b>	<b>3 975 866</b>	<b>3 691 928</b>
<b>Liabilities</b>		
<b>Derivative financial instruments</b>		
Foreign currency contracts	(3 286)	(14 304)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(3 286)</b>	<b>(14 304)</b>

*Federal loan bonds (OFZ)* are Rouble denominated government securities issued and guaranteed by the Ministry of Finance of the Russian Federation, with maturities between 2010 and 2036 (2007: between 2010 and 2036). The annual coupon rates on these bonds range from 5.8% to 10% (2007: 6% to 10%).

*Regional authorities and municipal bonds* are Rouble denominated securities issued by the region of Yamalo-Nenetsk which mature in 2008 (2007: Rouble denominated securities issued by the region of Yamalo-Nenetsk which mature in 2008). The annual coupon rate on these bonds is 10% (2007: 10%).

*Corporate bonds* are represented by US Dollar denominated non-quoted bonds of a foreign company (2007: US Dollar denominated non-quoted bonds of a foreign company) with maturity in 2009 (2007: with maturity in 2009). The annual coupon rate on these bonds was 8% (2007: 8%).

**National Bank TRUST**

**Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

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*Corporate shares* are mainly represented by marketable shares of a foreign company.

Information on related party balances is disclosed in Note 18.

***Derivative financial instruments***

Foreign exchange derivative financial instruments are generally traded in an over-the-counter market with professional market counterparties on standardised contractual terms and conditions.

The principal amounts of certain types of financial instruments provide a basis for comparison with instruments recorded on the condensed consolidated interim balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments have potentially favorable (assets) or unfavorable (liabilities) conditions as a result of fluctuations in market foreign exchange rates relative to their terms. The extent to which instruments have favorable or unfavorable conditions and, thus the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

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**National Bank TRUST**

**Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

The principal agreed amounts and fair values of outstanding derivative financial instruments are set out in the following tables. These tables reflect the gross position before netting of any counterparty position by types of instruments.

The outstanding deals with derivative financial instruments are as follows:

<b>March 31, 2008 (unaudited)</b>					
	<b>Notional principal</b>		<b>Average rate</b>	<b>Fair values</b>	
	<b>Buy</b>	<b>Sell</b>		<b>Asset</b>	<b>Liability</b>
<b>Foreign exchange contracts</b>					
Spot deals - domestic counterparties	164 419 thousand RR	7 000 thousand US Dollars	23.49	-	(190)
Spot deals - domestic counterparties	38 000 thousand US Dollars	893 178 thousand RR	23.50	415	-
Spot deals - domestic counterparties	28 000 thousand Euro	44 268 thousand US Dollars	1.58	-	(3 096)
Spot deals - foreign counterparties	7 000 thousand US Dollars	164 609 thousand RR	23.52	-	-
<b>Derivative financial instruments</b>				<b>415</b>	<b>(3 286)</b>
<b>December 31, 2007</b>					
	<b>Notional principal</b>		<b>Average rate</b>	<b>Fair values</b>	
	<b>Buy</b>	<b>Sell</b>		<b>Asset</b>	<b>Liability</b>
<b>Foreign exchange contracts</b>					
Spot deals - domestic counterparties	152 000 thousand US Dollars	3 739 577 thousand RR	24.60	551	(9 105)
Spot deals - domestic counterparties	7 000 thousand Euro	251 532 thousand RR	35.93	-	-
Spot deals - foreign counterparties	31 500 thousand Euro	46 325 thousand US Dollars	1.47	-	(5 199)
<b>Derivative financial instruments</b>				<b>551</b>	<b>(14 304)</b>

All the above contracts mature within 1 month (2007: 1 month) from the balance sheet date.

The fair value of the Group's position on derivatives was calculated as follows:

- **Forward foreign exchange contracts** – based on the estimated RR/USD forward rates.
- **Spot foreign exchange contracts** – based on the estimated RR/USD, RR/EUR and EUR/USD spot rates effective as at March 31, 2008 and December 31, 2007.

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**National Bank TRUST**

**Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

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**6. Available-for-sale Assets**

Available-for-sale assets comprise:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
Corporate bonds	187 565	185 675
<b>Total corporate bonds</b>	<b>187 565</b>	<b>185 675</b>

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Available-for-sale assets comprise US Dollar denominated eurobonds of Trust Investment Bank with maturity in 2009. The annual coupon rate on these bonds is 9.25%.

The information on related party balances is disclosed in Note 18.

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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**7. Loans to Customers**

Loans to customers comprise:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
<hr/>		
<b>Commercial loans</b>		
Loans to large corporates	5 990 588	5 263 466
Factoring receivables	5 034 922	4 060 833
Loans to small and medium companies	3 714 771	3 009 618
<hr/>		
<b>Total commercial loans</b>	<b>14 740 281</b>	<b>12 333 917</b>
<hr/>		
<b>Loans to individuals</b>		
Consumer loans	15 700 633	13 806 444
Auto loans	6 924 286	6 788 581
Micro loans	3 587 020	3 257 990
Credit cards	1 239 063	1 235 411
Mortgage loans	600 467	614 263
Other loans to individuals	262 369	319 109
<hr/>		
<b>Total loans to individuals</b>	<b>28 313 838</b>	<b>26 021 798</b>
<hr/>		
<b>Loans to customers</b>	<b>43 054 119</b>	<b>38 355 715</b>
Allowance for impairment	(2 629 241)	(2 266 142)
<hr/>		
<b>Loans to customers (net of allowance for impairment)</b>	<b>40 424 878</b>	<b>36 089 573</b>
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**National Bank TRUST**

**Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

The Group has estimated loan impairment for commercial loans based on an analysis of the future cash flows for impaired loans and based on its past loss experience for portfolios of loans for which no indications of impairment have been identified. In determining the impairment allowance for the loan portfolio for which no specific impairment has been identified, management has assumed a time lag of 1 month to identify impairment after the loss trigger event.

Most of commercial loans are secured by equipment, inventories, motor vehicles, real estate and other collateral.

Movements in the loan impairment allowance by classes of commercial loans for the three months ended March 31, 2008 and March 31, 2007 are as follows:

	<b>Loans to large corporates</b>	<b>Factoring receivables</b>	<b>Loans to small and medium companies</b>	<b>Total</b>
<b>December 31, 2006</b>	<b>302 044</b>	-	<b>5 438</b>	<b>307 482</b>
Allowance for impairment	12 431	-	3 739	16 170
<b>March 31, 2007 (unaudited)</b>	<b>314 475</b>	-	<b>9 177</b>	<b>323 652</b>
<b>December 31, 2007</b>	<b>289 544</b>	<b>126 038</b>	<b>26 561</b>	<b>442 143</b>
Allowance for impairment	(129 707)	68 087	5 628	(55 992)
Write-offs	(21 032)	-	-	(21 032)
<b>March 31, 2008 (unaudited)</b>	<b>138 805</b>	<b>194 125</b>	<b>32 189</b>	<b>365 119</b>

The Group has estimated loan impairment for loans to individuals collectively assessed for impairment and loans to individuals individually assessed for impairment for which no indications of impairment has been identified based on its past historical loss experience on these types of loans, based on the assumption that overdue loans are considered a loss after 6 months have past since the last instalment due date. For impaired loans to individuals the Group has estimated loan impairment based on an analysis of the future cash flows.

Mortgage loans are secured by underlying housing real estate. Auto loans are secured by underlying cars. Most micro loans are secured by equipment, motor vehicles and other collateral. Consumer loans, credit cards and other loans to individuals are not secured.

Movements in the loan impairment allowance by classes of loans to individuals for the three months ended March 31, 2008 and March 31, 2007 are as follows:

	<b>Consumer loans</b>	<b>Auto loans</b>	<b>Micro loans</b>	<b>Credit cards</b>	<b>Mortgage loans</b>	<b>Other loans to individuals</b>	<b>Total</b>
<b>December 31, 2006</b>	<b>303 693</b>	<b>422 006</b>	<b>17 194</b>	<b>28 978</b>	<b>322</b>	<b>7 349</b>	<b>779 542</b>
Allowance for impairment	67 455	85 549	6 804	14 882	470	4 736	179 896
<b>March 31, 2007 (unaudited)</b>	<b>371 148</b>	<b>507 555</b>	<b>23 998</b>	<b>43 860</b>	<b>792</b>	<b>12 085</b>	<b>959 438</b>
<b>December 31, 2007</b>	<b>770 013</b>	<b>808 804</b>	<b>86 736</b>	<b>146 699</b>	<b>6 666</b>	<b>5 081</b>	<b>1 823 999</b>
Allowance for impairment	291 051	128 288	14 418	(1 853)	1 062	526	433 492
Amounts recovered on loans previously written off	3 415	3 216	-	-	-	-	6 631
<b>March 31, 2008 (unaudited)</b>	<b>1 064 479</b>	<b>940 308</b>	<b>101 154</b>	<b>144 846</b>	<b>7 728</b>	<b>5 607</b>	<b>2 264 122</b>

**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

As at March 31, 2008 the Bank transferred loans to individuals, including auto loans of RR 2 198 059 thousand (December 31, 2007: 1 153 535) and consumer loans of RR 6 151 205 thousand (December 31, 2007: 4 907 970), to its subsidiary RSCC No 1 S.A. (refer to Note 19). These loans are pledged by the Group under secured loan participation notes issued by RSCC No 1 S.A. As at March 31, 2008, the carrying amount of the notes was RR 5 254 175 thousand (December 31, 2007: 3 694 202). Refer to Note 11.

As at March 31, 2008 and December 31, 2007 the Group did not have borrowers or groups of related borrowers with aggregated loan balances above 10% of shareholder's equity each.

During the three months ended March 31, 2008 and March 31, 2007 the Group did not obtain any assets by taking control of collateral accepted as security for commercial loans.

Information on related party balances is disclosed in Note 18.

**8. Property, Equipment and Intangibles**

The movements of property, equipment and intangibles during the three months ended March 31, 2008 were as follows:

	<b>Buildings</b>	<b>Land and other premises</b>	<b>Fixtures and equipment</b>	<b>Software and licenses</b>	<b>Customer relationships</b>	<b>Total</b>
<b>Cost/Revalued amount</b>						
<b>December 31, 2007</b>	<b>1 714 037</b>	<b>804 575</b>	<b>1 399 790</b>	<b>466 460</b>	<b>455 705</b>	<b>4 840 567</b>
Additions	20 140	42 884	22 034	21 113	-	106 171
Disposals	(8 008)	(260 966)	(3 478)	(2 951)	-	(275 403)
<b>March 31, 2008 (unaudited)</b>	<b>1 726 169</b>	<b>586 493</b>	<b>1 418 346</b>	<b>484 622</b>	<b>455 705</b>	<b>4 671 335</b>
<b>Accumulated depreciation and amortization</b>						
<b>December 31, 2007</b>	<b>-</b>	<b>1 607</b>	<b>594 277</b>	<b>131 487</b>	<b>-</b>	<b>727 371</b>
Charge for the period	9 406	90	57 638	25 749	22 662	115 545
Disposals	(13)	-	(2 761)	(2 951)	-	(5 725)
<b>March 31, 2008 (unaudited)</b>	<b>9 393</b>	<b>1 697</b>	<b>649 154</b>	<b>154 285</b>	<b>22 662</b>	<b>837 191</b>
<b>Net book value</b>						
<b>December 31, 2007</b>	<b>1 714 037</b>	<b>802 968</b>	<b>805 513</b>	<b>334 973</b>	<b>455 705</b>	<b>4 113 196</b>
<b>March 31, 2008 (unaudited)</b>	<b>1 716 776</b>	<b>584 796</b>	<b>769 192</b>	<b>330 337</b>	<b>433 043</b>	<b>3 834 144</b>

As at March 31, 2008 land and other premises included assets under construction in the amount of RR 554 008 thousand (December 31, 2007: RR 772 179 thousand).

As at March 31, 2008 the gross carrying amount of fully depreciated fixtures and equipment that is still in use by the Group was RR 204 263 thousand (December 31, 2007: RR 184 882 thousand).

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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**9. Amounts Due to Credit Institutions**

Amounts due to credit institutions comprise:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
Vostro accounts	278 763	525 894
Term deposits	3 996 501	2 382 029
Repurchase agreements	-	1 711 797
<b>Amounts due to credit institutions</b>	<b>4 275 264</b>	<b>4 619 720</b>

As at March 31, 2008 the Group had one counterparty with aggregated balances above 10% of shareholder's equity. The aggregate amount of these deposits was RR 3 111 869 thousand (December 31, 2007: RR 2 848 314 thousand).

The information on related party balances is disclosed in Note 18.

**10. Amounts Due to Customers**

Amounts due to customers comprise:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
<i>Current accounts and demand deposits</i>		
- Individuals	3 513 676	3 728 038
- Corporate	10 945 501	12 055 424
<i>Term deposits</i>		
- Individuals	18 123 615	16 677 430
- Corporate	14 098 350	9 204 995
Subordinated debt	1 324 015	1 372 980
<b>Amounts due to customers</b>	<b>48 005 157</b>	<b>43 038 867</b>

Subordinated debt represents deposits of a foreign company with an aggregate nominal amount of USD 55 000 thousand or RR 1 293 358 thousand (December 31, 2007: USD 55 000 thousand or RR 1 350 041 thousand) with interest rates ranging from 11% to 11.5% (December 31, 2007: from 11% to 11.5%) and maturities between September 2012 and December 2012 (December 31, 2007: September 2012 and December 2012). In case of the Bank's bankruptcy, liabilities under the deposits are repaid after settlement of all other liabilities of the Bank. According to the terms of deposit agreements, the creditors may not demand repayment of deposits before maturity.

As at March 31, 2008 the Group had seven customers (December 31, 2007: six customers) with aggregate balances above 10% of shareholders' equity each. The aggregate amount of these accounts was RR 11 569 307 thousand (December 31, 2007: RR 6 701 075 thousand).

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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

Amounts due to customers include accounts of the following types of customers:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
Private companies	25 953 533	22 383 973
Individuals	21 637 291	20 405 468
State companies and local authorities	414 333	249 426
<b>Amounts due to customers</b>	<b>48 005 157</b>	<b>43 038 867</b>

Information on related party balances is disclosed in Note 18.

**11. Debt Securities Issued**

Debt securities issued comprise:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
Eurobonds	4 306 718	4 385 751
Notes secured by the pool of auto and consumer loans	5 254 175	3 694 202
Credit linked notes	1 101 077	1 124 173
Promissory notes and certificates of deposit	1 053 857	906 081
<b>Debt securities issued</b>	<b>11 715 827</b>	<b>10 110 207</b>

In May 2007 the Group issued Eurobonds with a nominal value of USD 200 000 thousand at an interest rate of 9.375% with maturity on 29 May 2010.

During 2007 the Group issued notes (secured by the pool of auto and consumer loans) with a nominal value of RR 5 247 000 thousand and interest rate MOSPRIME+2.75% with maturity on 12 November 2012. Refer to Note 7.

In April 2007 the Group issued credit linked notes with a nominal value of USD 50 000 thousand and interest rate of 9% with maturity on 19 October 2008.

Information on related party balances is disclosed in Note 18. Information on covenants associated with issued debt is disclosed in Note 17.

**12. Share Capital**

The share capital of the Bank has been contributed by shareholders in Rubles. Shareholders are entitled to dividends and capital distributions in Rubles.

As at March 31, 2008 and December 31, 2007 the Bank had 294 538 047 ordinary shares issued, outstanding and fully paid by shareholders and no preferred stock issued.

Dividends payable are restricted to the maximum retained earnings of the Group, which are determined according to the legislation in the Russian Federation.

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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**(Thousands of Russian Roubles except otherwise stated)

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**13. Interest Income and Interest Expense**

	<b>3 months ended March 31, 2008 (unaudited)</b>	<b>3 months ended March 31, 2007 (unaudited)</b>
<hr/>		
<b>Interest income</b>		
Loans to customers	2 251 867	1 359 002
Amounts due from credit institutions	338 323	94 692
Debt securities	96 765	121 634
<hr/>		
<b>Total interest income</b>	<b>2 686 955</b>	<b>1 575 328</b>
<hr/>		
<b>Interest expense</b>		
Amounts due to customers	740 106	422 915
Debt securities issued	277 533	80 998
Amounts due to credit institutions	86 779	9 205
<hr/>		
<b>Total interest expense</b>	<b>1 104 418</b>	<b>513 118</b>
<hr/>		
<b>Net interest income</b>	<b>1 582 537</b>	<b>1 062 210</b>
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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**14. Fee and Commission Income and Fee and Commission Expense**

	<b>3 months ended March 31, 2008 (unaudited)</b>	<b>3 months ended March 31, 2007 (unaudited)</b>
<b>Fee and commission income</b>		
Settlement operations	186 316	168 991
Contractual penalties from customers	43 790	5 821
Loan prolongation fees	23 516	-
Agency fees	22 257	7 189
Rental fees	14 900	11 121
Guarantees issued	6 432	8 513
Other	20 240	12 603
<b>Fee and commission income</b>	<b>317 451</b>	<b>214 238</b>
<b>Fee and commission expense</b>		
Settlements operations	55 967	37 016
Other	12 047	6 857
<b>Fee and commission expense</b>	<b>68 014</b>	<b>43 873</b>
<b>Net fee and commission income</b>	<b>249 437</b>	<b>170 365</b>

**15. Salaries and Employment Benefits and Administrative Expenses**

	<b>3 months ended March 31, 2008 (unaudited)</b>	<b>3 months ended March 31, 2007 (unaudited)</b>
<b>Salaries and employment benefits</b>		
Salaries and other compensation	722 246	443 857
Social security costs	149 304	105 823
Other	2 916	5 872
<b>Salaries and employment benefits</b>	<b>874 466</b>	<b>555 552</b>
<b>Administrative expenses</b>		
Rent	147 259	78 173
Operating taxes	60 187	41 450
Business development	42 691	52 547
Communication	34 603	36 651
Security	28 039	21 020
State deposit insurance scheme	25 640	17 910
Utilities	15 293	14 285
Stationary and inventory	10 516	7 787
Other	18 640	11 059
<b>Administrative expenses</b>	<b>382 868</b>	<b>280 882</b>

**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**16. Taxation**

Income tax expense comprises:

	<b>3 months ended March 31, 2008 (unaudited)</b>	<b>3 months ended March 31, 2007 (unaudited)</b>
Current tax expense	27 094	65 131
Deferred tax movement	(8 698)	(40 509)
<b>Income tax expense</b>	<b>18 396</b>	<b>24 622</b>

Russian legal entities must file individual tax declarations. The tax rate for banks for profits other than interest income on state securities was 24% for the three months ended March 31, 2008 and March 31, 2007. The tax rate for interest income on state securities is 15%. The tax rates for the Group's condensed consolidated interim subsidiaries range from 4.25% to 24% based on the jurisdiction in which they are located.

The effective income tax rate differs from the statutory income tax rate. A reconciliation of the theoretical income tax expense at statutory rate with the actual income tax expense is as follows:

	<b>3 months ended March 31, 2008 (unaudited)</b>	<b>3 months ended March 31, 2007 (unaudited)</b>
<b>Income before taxation</b>	<b>62 083</b>	<b>117 171</b>
Statutory tax rate	24%	24%
<b>Theoretical income tax expense at statutory rate</b>	<b>14 900</b>	<b>28 121</b>
Tax effect of items taxed in different jurisdictions	1 165	(380)
State securities income taxed at 15%	(5 522)	(9 812)
Non-deductible expenditures, net of non-taxable income	7 853	6 150
Other permanent differences	-	543
<b>Income tax expense</b>	<b>18 396</b>	<b>24 622</b>

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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

Tax assets and liabilities consist of the following:

	<b>March 31, 2008</b> <b>(unaudited)</b>	<b>December 31, 2007</b>
Current tax assets	157 145	160 028
<b>Tax assets</b>	<b>157 145</b>	<b>160 028</b>
Current tax liabilities	213 989	199 667
Deferred tax liabilities	258 114	265 380
<b>Tax liabilities</b>	<b>472 103</b>	<b>465 047</b>

The Russian Federation currently has a number of laws related to various taxes imposed by both federal and regional governmental authorities. Applicable taxes include value added tax, profit tax, a number of turnover based taxes and social tax, together with others. Implementing regulations are often unclear or nonexistent and few precedents have been established. Often, different opinions regarding legal interpretation exist both among and within government ministries and organizations (like the Ministry of Taxes and Levies and its various inspectorates); thus creating uncertainties and areas of conflict. Tax declarations, together with other legal compliance areas (as examples, customs and currency control matters) are subject to review and investigation by a number of authorities, which are enabled by law to impose extremely severe fines, penalties and interest charges. These facts create tax risks in Russia substantially more significant than typically found in countries with more developed tax systems.

Management believes that the Group is in full compliance with the tax laws affecting its operations; however, the risk remains that relevant authorities could take differing positions with regard to interpretive issues and the effect could be significant.

In particular, recently tax authorities challenged methodologies applied by banks in respect of calculation tax losses to be carried forward. Currently this issues are examined by courts and if tax authorities are successful in their proceedings, there is a possibility of similar claims to be made to the Bank, in which case the Bank might not be able to utilize the deferred tax asset arising from tax losses carried forward recognized in this condensed consolidated interim financial statements

As at December 31, 2004 the Group was engaged in litigation proceedings with the tax authorities related to claims against the Bank to pay additional taxes and corresponding fines for the total amount of RR 726 249 thousand as the result of tax audits of the income tax periods of 2000, 2001 and 2002. The Bank has appealed these claims in court. As at December 31, 2004 a provision for potential tax liabilities of RR 435 749 thousand in relation to these claims was recorded. During 2005, additional claims were made by the tax authorities related to the 2002 tax period of RR 216 000 thousand, RR 84 000 thousand of claims expired due to the claims limitation period, and RR 518 518 thousand was paid out by the Group in respect of these claims.

During the year ended December, 31 2006, RR 24 716 thousand of the above claims were paid out by the Group. No additional provisions for potential tax liabilities were recorded in the condensed consolidated interim financial statements. As a result the total provision for potential tax liabilities as at December 31, 2006 comprised RR 315 015 thousand.

During the year ended December 31, 2007, RR 133 000 thousand of the above claims expired and RR 10 435 thousand were paid out by the Group. No additional provisions for potential tax liabilities were recorded in the condensed consolidated interim financial statements.

During the three months ended March 31, 2008 no additional claims were made to the Group and no claims were paid out by the Group. As a result the total provision for potential tax liabilities as at March 31, 2008 comprised RR 171 580 thousand, which represents the full amount of outstanding tax claims as at March 31, 2008. Management believes that this provision is the best estimate of potential tax losses.

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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**17. Capital Management**

The CBR sets and monitors capital requirements for the Bank, the lead operating entity of the Group.

The Group defines as capital those items defined by statutory regulation as capital. Under the current capital requirements set by the CBR banks have to maintain a ratio of capital to risk weighted assets (“statutory capital ratio”) above the prescribed minimum level. As at March 31, 2008 and December 31, 2007, this minimum level is 10%. The Group was in compliance with the statutory capital ratio during the years ended March 31, 2008 and December 31, 2007.

The Group also monitors its capital adequacy levels calculated in accordance with the requirements of the Basle Accord, as defined in the International Convergence of Capital Measurement and Capital Standards (updated April 1998) and Amendment to the Capital Accord to incorporate market risks (updated November 2007), commonly known as Basel I.

The following table shows the composition of the Group’s capital position calculated in accordance with the requirements of the Basle Accord, as at March 31, 2008 and December 31, 2007:

	<b>March 31, 2008 (unaudited)</b>	<b>December 31, 2007</b>
Tier 1 capital:		
Share capital	2 896 441	2 896 441
Additional paid-in capital	4 274 435	4 274 435
Retained earnings	586 283	534 881
<b>Total tier 1 capital</b>	<b>7 757 159</b>	<b>7 705 757</b>
Tier 2 capital:		
Revaluation reserves for property, equipment and intangibles, and for available-for-sale assets	572 914	576 096
Subordinated debt (unamortised portion)	1 293 358	1 350 041
<b>Total tier 2 capital</b>	<b>1 866 272</b>	<b>1 926 137</b>
<b>Total capital</b>	<b>9 623 431</b>	<b>9 631 894</b>
Risk-weighted assets:		
Banking book	49 877 984	45 380 197
Trading book	2 701 298	2 505 214
<b>Total risk-weighted assets</b>	<b>52 579 282</b>	<b>47 885 411</b>
<b>Total tier 1 capital expressed as a percentage of risk-weighted assets (tier 1 capital ratio)</b>	<b>14.8</b>	<b>16.1</b>
<b>Total capital expressed as a percentage of risk-weighted assets (total capital ratio)</b>	<b>18.3</b>	<b>20.1</b>

The risk-weighted assets are measured by means of a hierarchy of risk weights classified according to the nature of – and reflecting an estimate of credit, market and other risks associated with – each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposures, with some adjustments to reflect the more contingent nature of the potential losses.

The Group is subject to minimum capital adequacy requirements calculated in accordance with the Basle Accord established by covenants under liabilities incurred by the Group. The Group have complied with all externally imposed capital requirements during the periods ended March 31, 2008 and December 31, 2007. According to Eurobond issue covenants, the ratio of Tier 1 Capital to Risk Weighted assets should be not less than 8%.

**18. Related Party Transactions**

Related parties, as defined by IAS 24 “*Related Party Disclosures*”, are:

- (a) enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the reporting enterprise. (This includes holding companies, subsidiaries and fellow subsidiaries);
- (b) associates – enterprises in which the Group has significant influence and which is neither a subsidiary nor a joint venture of the investor;
- (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group, and anyone expected to influence, or be influenced by, that person in their dealings with the Group;
- (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including directors and officers of the Group and close members of the families of such individuals; and
- (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the Group and enterprises that have a member of key management in common with the Group.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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**National Bank TRUST**

**Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

As at March 31, 2008 and December 31, 2007 the Group had the following transactions outstanding with related parties:

	<b>March 31, 2008 (unaudited)</b>				
	<b>Transactions with shareholders</b>	<b>Transactions with key management</b>	<b>Transactions with non-consolidated subsidiaries</b>	<b>Transactions with group IBT*</b>	<b>Total category</b>
Cash and cash equivalents					
Nostro accounts with other credit institutions (RR - 0%, FC - 0%)	-	-	-	13 011	765 254
Short-term deposits with other credit institutions (RR – 5.75%, FC - 3%)	-	-	-	1 361 141	15 973 831
Financial assets at fair value through profit or loss (FC - 0%)	-	-	-	84	3 975 866
Amounts due from credit institutions (RR - 0%)	-	-	-	9 676	22 664
Available-for-sale assets (FC - 9.25%)	-	-	-	187 565	187 565
Loans to customers (gross amount) (FC - 10%-15%)	-	10 352	-	-	43 054 119
Allowance for impairment	-	(76)	-	-	(2 629 241)
Other assets (RR - 0%)	-	-	52	-	859 606
<b>Total assets</b>	<b>-</b>	<b>10 276</b>	<b>52</b>	<b>1 571 477</b>	
Financial liabilities at fair value through profit or loss (FC - 0 %)					
Amounts due to credit institutions	-	-	-	3 096	3 286
Vostro accounts (RR - 0 %, FC - 0 %)	-	-	-	1 437	278 763
Debt securities issued (RR - 8.7%)	738 770	-	-	156 115	11 715 827
Amounts due to customers					
Current accounts (RR 0.0% - 0.9%; FC - 0.0% - 0.1%)	264 563	2	-	-	14 459 177
Time deposits (RR: 12.03% - 12.13%; FC - 11.48% )	868 589	7 150	-	-	32 221 965
<b>Total liabilities</b>	<b>1 871 922</b>	<b>7 152</b>	<b>-</b>	<b>160 648</b>	

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**National Bank TRUST**

**Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

	December 31, 2007				
	Transactions with shareholders	Transactions with key management	Transactions with non-consolidated subsidiaries	Transactions with group IBT*	Total category
Cash and cash equivalents					
Nostro accounts with other credit institutions (RR - 0%, FC - 0%)	-	-	-	4 753	1 120 104
Financial assets at fair value through profit or loss (FC - 0%)	-	-	-	162	3 691 928
Amounts due from credit institutions (RR - 0%)	-	-	-	9 676	23 223
Available-for-sale assets (FC - 9.25%)	-	-	-	185 675	185 675
Loans to customers (gross amount) (FC - 10%- 15%)	12 709	11 599	-	-	38 355 715
Allowance for impairment	(78)	(69)	-	-	(2 266 142)
Other assets (RR - 0%)	-	-	52	2 827	818 280
<b>Total assets</b>	<b>12 631</b>	<b>11 530</b>	<b>52</b>	<b>203 093</b>	
Financial liabilities at fair value through profit or loss (FC - 0%)	-	-	-	5 199	14 304
Amounts due to credit institutions					
Vostro accounts (RR - 0%, FC - 0%)	-	-	-	34 272	525 894
Repurchase agreements (FC - 5.05%)	-	-	-	11 325	1 711 797
Amounts due to customers					
Current accounts (RR - 0%-0.1%, FC - 0%)	211 784	-	-	-	15 783 462
Term deposits (RR - 7.25%-12.1%, FC - 9%)	2 302 012	16 185	-	-	25 882 425
Debt securities issued (RR - 8.9%)	722 770	-	-	182 449	10 110 207
<b>Total liabilities</b>	<b>3 236 566</b>	<b>16 185</b>	<b>-</b>	<b>233 245</b>	

\* group IBT represents companies which are under common control with the Bank: Investment Bank TRUST and its subsidiaries.

During the three months ended March 31, 2008 the Group sold its assets under construction in the amount of RR 260 966 thousand to the company controlled by its shareholders. As the result of this transaction the Group recognized no gain or loss in the consolidated income statement.

The existing accounting system of the Group does not accumulate the amounts of income and expenses from related party transactions. Management of the Group believes that the majority of these amounts are proportionate to the average balances of the corresponding balance sheet captions.

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**National Bank TRUST****Notes to Condensed Consolidated Interim Financial Statements for the Three Months Ended March 31, 2008**

(Thousands of Russian Roubles except otherwise stated)

**19. Subsidiaries**

As at March 31, 2008 and December 31, 2007 the Bank had investments in the following subsidiaries:

<b>Name</b>	<b>Investment as at 31 March 2008</b>	<b>Investment as at 31 December 2007</b>	<b>Country</b>	<b>% Equity interest as at 31 March 2008</b>	<b>% Equity interest as at 31 December 2007</b>
TIB Holding S.A.	2 775	2 775	Switzerland	100%	100%
Fiennes Investments Limited	41	41	Cyprus	100%	100%
TIB Financial Services Limited	556	556	Cyprus	100%	100%
RSCC No 1 S.A.	-	-	Luxemburg	-	-
NBT Finance Limited	-	-	Ireland	-	-
Metcalf Investment Limited	70	70	Cyprus	100%	100%
ZAO "Interregional factoring company "Trust" (IFC TRUST)	204 934	204 934	Russian Federation	100%	100%

TIB Holding S.A. is a closed joint stock company under the laws of Switzerland. The company's principal activity is providing financial and administrative services, consulting and trust activities.

Fiennes Investments Limited is a closed joint stock company under the laws of Cyprus. The company's principal activity is international trading and investments.

TIB Financial Services Limited is a closed joint stock company under the laws of Cyprus. The company's principal activity is financial services and investments.

NBT Finance Limited and RSCC No 1 S.A. are special purposes entities established to facilitate the Group's issue of debt securities (refer to Note 11) and, in substance, controlled by the Bank. Accordingly, the financial statements of these entities are included in the condensed consolidated interim financial statements of the Group.

Metcalf Investment Limited is a closed joint stock company under the laws of Cyprus. The company's principal activity is financial services and investments.

IFC TRUST is a closed joint stock company organised under the laws of the Russian Federation. The company's principal activity is factoring.

The condensed consolidated interim financial statements of the Group as at March 31, 2008 and December 31, 2007 included the accounts of TIB Holdings S.A., Fiennes Investments Limited, TIB Financial Services Limited, RSCC No 1 S.A., NBT Finance Limited, Metcalf Investment Limited and IFC TRUST.

*(End)*