

National Bank TRUST

Consolidated Interim Condensed Financial Statements

For the Nine Months Ended September 30, 2008

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Independent Auditors' Report

To the Board of Directors of National Bank TRUST:

Report on Review of the Consolidated Interim Condensed Financial Information

Introduction

We have reviewed the accompanying consolidated interim condensed balance sheet of National Bank TRUST and its subsidiaries (the "Group") as at 30 September 2008, and the related consolidated interim condensed statements of income for the nine-month and three-month periods then ended, and the related consolidated interim condensed statements of changes in shareholders' equity and cash flows for the nine-month period then ended (the "consolidated interim condensed financial information"). Management is responsible for the preparation and fair presentation of this consolidated interim condensed 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 condensed 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 condensed financial information as at 30 September 2008 and for the nine-month and three-month periods 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 conclusion, we draw attention to Note 20, which describes the situation on the financial markets subsequent to 30 September 2008 and its effect on the financial position of the Group, and also describes the subsequent merger of the Bank. We also draw attention to the fact that the corresponding figures for the nine-month and three-month periods ended 30 September 2007 are unreviewed.

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23 December 2008

National Bank TRUST
Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

CONSOLIDATED INTERIM CONDENSED BALANCE SHEET

	Notes	September 30, 2008 (unaudited)	December 31, 2007
Assets			
Cash and cash equivalents	4	20 493 529	21 196 031
Obligatory deposits with the CBR		345 705	666 419
Financial assets at fair value through profit or loss			
- unpledged	5	126 661	1 889 083
- pledged under sale and repurchase agreements	5	209 522	1 802 845
Amounts due from credit institutions		431 712	23 223
Available-for-sale assets		-	185 675
Held-to-maturity securities			
- unpledged	6	235 141	-
- pledged under sale and repurchase agreements	6	693 100	-
Loans to customers	7	42 798 453	36 089 573
Tax assets	16	161 995	160 028
Property, equipment and intangibles	8	3 868 506	4 113 196
Investment property	7	45 392	-
Other assets		814 431	818 280
Total assets		70 224 147	66 944 353
Liabilities			
Financial liabilities at fair value through profit or loss	5	13 097	14 304
Amounts due to credit institutions	9	3 094 867	4 619 720
Amounts due to customers	10	42 939 733	43 038 867
Debt securities issued	11	14 478 465	10 110 207
Tax liabilities	16	375 030	465 047
Other liabilities		533 323	414 355
Total liabilities		61 434 515	58 662 500
Shareholders' equity			
Share capital	12	2 896 441	2 896 441
Additional paid-in capital		4 287 609	4 274 435
Revaluation reserve for property, equipment and intangibles		564 336	587 483
Revaluation reserve for available-for-sale assets		-	(11 387)
Retained earnings		1 041 246	534 881
Total shareholders' equity		8 789 632	8 281 853
Total liabilities and shareholders' equity		70 224 147	66 944 353

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

Nikolay V. Fetisov

President of the Bank

Ekaterina V. Krivosheeva

Chief Financial Officer

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

National Bank TRUST
Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

CONSOLIDATED INTERIM CONDENSED INCOME STATEMENT

	Notes	9 months ended September 30, 2008 (unaudited)	9 months ended September 30, 2007 (unaudited)	3 months ended September 30, 2008 (unaudited)	3 months ended September 30, 2007 (unaudited)
Interest income	13	9 135 826	5 537 852	3 350 750	2 200 974
Interest expense	13	(3 787 157)	(2 002 164)	(1 345 251)	(862 414)
Net interest income		5 348 669	3 535 688	2 005 499	1 338 560
Allowance for impairment	7	(1 390 576)	(723 764)	(344 608)	(306 921)
Net interest income after allowance for impairment		3 958 093	2 811 924	1 660 891	1 031 639
Fee and commission income	14	1 026 283	656 350	367 116	195 526
Fee and commission expense	14	(208 832)	(156 136)	(73 910)	(60 136)
Net fee and commission income		817 451	500 214	293 206	135 390
Net (loss)/gain on financial instruments at fair value through profit or loss		(22 408)	47 307	(166 112)	15 691
Net foreign exchange gain/(loss)		49 672	(4 154)	(16 402)	(62 292)
Net translation (loss)/gain		(46 880)	126 681	(21 493)	104 716
Other income		106 119	58 572	18 007	25 011
Other non-interest income/(loss)		86 503	228 406	(186 000)	83 126
Operating income		4 862 047	3 540 544	1 768 097	1 250 155
Salaries and employment benefits	15	(2 382 743)	(1 930 842)	(782 939)	(643 297)
Administrative expenses	15	(1 449 289)	(1 038 251)	(570 943)	(351 689)
Depreciation and amortization	8	(349 109)	(185 157)	(118 095)	(70 163)
Other expenses		(184 575)	(127 843)	(131 743)	(42 170)
Operating expense		(4 365 716)	(3 282 093)	(1 603 720)	(1 107 319)
Income before tax		496 331	258 451	164 377	142 836
Income tax benefit/(expense)	16	4 613	4 454	(44 466)	(25 024)
Net income		500 944	262 905	119 911	117 812

National Bank TRUST
Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

CONSOLIDATED INTERIM CONDENSED STATEMENT OF CASH FLOWS

	Notes	9 months ended September 30, 2008 (unaudited)	9 months ended September 30, 2007 (unaudited)
Cash flows from operating activities			
Interest and fees and commissions received		10 122 928	5 859 891
Interest and fees and commissions paid		(3 620 701)	(1 813 153)
Net gain on financial instruments at fair value through profit or loss		7 946	43 725
Net foreign exchange gain/(loss)		42 086	(4 896)
Other income		105 819	27 374
Salaries and employment benefits		(2 461 684)	(1 933 309)
Administrative and other expenses		(1 698 992)	(1 253 813)
Cash flow provided from operating activities before changes in operating assets and liabilities		2 497 402	925 819
Net (increase)/decrease in operating assets:			
Obligatory deposits with the CBR		320 714	(271 639)
Financial assets at fair value through profit or loss		2 408 029	1 904 651
Amounts due from credit institutions		(402 537)	-
Loans to customers		(8 035 368)	(13 528 851)
Available-for-sale assets		196 369	(205 717)
Held-to-maturity securities		-	-
Other assets		3 851	(218 926)
Net increase/(decrease) in operating liabilities:			
Amounts due to credit institutions		(1 587 786)	3 384 047
Amounts due to customers		(520 668)	6 734 572
Other liabilities		244 796	79 445
Net cash flows used in operating activities before income taxes		(4 875 198)	(1 196 599)
Income taxes paid		(89 532)	(101 862)
Net cash flows used in operating activities		(4 964 730)	(1 298 461)
Cash flows from investing activities			
Purchase of tangible fixed assets	8	(402 299)	(1 070 798)
Proceeds from sale of tangible fixed assets		372 485	9 314
Purchase of intangible assets	8	(74 605)	(84 703)
Net cash flows used in investing activities		(104 419)	(1 146 187)
Cash flows from financing activities			
Debt securities issued		4 127 012	7 881 825
Shareholders' contributions		-	1 615 000
Net cash flows provided from financing activities		4 127 012	9 496 825
Effect of change in exchange rates on cash and cash equivalents		239 635	(297 053)
Net change in cash and cash equivalents		(702 502)	6 755 124
Cash and cash equivalents at the beginning of the year	4	21 196 031	10 371 653
Cash and cash equivalents at the end of the year	4	20 493 529	17 126 777

National Bank TRUST
Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

CONSOLIDATED INTERIM CONDENSED 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
Balance as at December 31, 2006	2 896 441	706 013	439 382	-	295 436	4 337 272
Net profit (unaudited)	-	-	-	-	262 905	262 905
Net unrealized losses on available-for-sale assets, net of deferred tax of RR 2 852 thousand (unaudited)	-	-	-	(9 030)	-	(9 030)
Depreciation of revaluation reserve for property, equipment and intangibles, net of deferred tax of RR 2 413 thousand (unaudited)	-	-	(7 641)	-	7 641	-
Total recognized income for the period (unaudited)						253 875
Additional paid-in capital (unaudited)	-	1 615 000	-	-	-	1 615 000
Balance as at September 30, 2007 (unaudited)	2 896 441	2 321 013	431 741	(9 030)	565 982	6 206 147
Balance as at December 31, 2007	2 896 441	4 274 435	587 483	(11 387)	534 881	8 281 853
Net profit (unaudited)	-	-	-	-	500 944	500 944
Net unrealized losses on available-for-sale assets, net of deferred tax of RR 4 425 thousand (unaudited)	-	-	-	14 014	-	14 014
Net gain on available-for-sale assets transferred to income statement, net of deferred tax of RR 830 thousand (unaudited)	-	-	-	(2 627)	-	(2 627)
Depreciation of revaluation reserve for property, equipment and intangibles, net of deferred tax of RR 7 310 thousand (unaudited)	-	-	(23 147)	-	23 147	-
Total recognized income for the period (unaudited)						512 331
Additional paid-in capital, net of deferred tax of RR 4 160 thousand (Note 12) (unaudited)	-	13 174	-	-	-	13 174
Distribution to shareholders, net of deferred tax of RR 5 598 thousand (Note 12) (unaudited)	-	-	-	-	(17 726)	(17 726)
Balance as at September 30, 2008 (unaudited)	2 896 441	4 287 609	564 336	-	1 041 246	8 789 632

National Bank TRUST

Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

1. Principal Activities

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

National Bank TRUST is the leading company in the Group. It was formed on November 27, 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 October 20, 2006, and a licence for operations with precious metals from the CBR, issued on October 20, 2006. The Bank also possesses a licence for operations with securities from the Federal Securities Market Commission (the "FSMC"), granted on November 27, 2000, and a licence for custody services from the FSMC, granted on December 7, 2000. The Bank was accepted into the state deposit insurance system in December 2004. The Bank accepts deposits from the public and issues 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: 24/1, Ulansky Lane, Moscow, Russia, 107045.

As at September 30, 2008 the Group was 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.

As at September 30, 2008, Merrill Lynch had effective control of 8.86% of the Group and other minority shareholders controlled 0.65% of the Group.

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

2. Basis of Preparation

The consolidated interim condensed financial statements follow, in the context of measurement, all requirements of International Financial Reporting Standards (IFRS). The disclosures in these consolidated interim condensed 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 consolidated interim condensed financial statements provide an update of previously reported financial information.

3. Significant Accounting Policies

The significant accounting policies applied in the preparation of the consolidated interim condensed financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2007. Changes in accounting policies as a result of revised accounting standards are described at the end of this Note.

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 the analysis of the requirements listed above the Management of the Group came to a conclusion that it operates in one operating segment (2007: one operating segment).

National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

Changes in accounting policies

As at September, 30 2008 the Group adopted amendments to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures". Application of these amendments permits the Group to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the Group upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the Group has the intention and ability to hold that financial asset for the foreseeable future. Financial assets reclassified according to these amendments and the results of such reclassifications are disclosed in Note 6.

New Standards and Interpretations not yet adopted

A number of new Standards, amendments to Standards and Interpretations are not yet effective as at September 30, 2008, and have not been applied in preparing these consolidated interim condensed 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 analyzed the likely impact of these new standards on its consolidated financial statements.

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 an Appendix of 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 IAS 39 "Financial Instruments: Recognition and Measurement") and related direct costs (as previously defined in 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:

	September 30, 2008 (unaudited)	December 31, 2007
Cash on hand	1 308 359	1 967 632
Nostro accounts with the CBR	620 387	4 780 421
Nostro accounts with other credit institutions	1 439 130	1 120 104
Short-term deposits with other credit institutions	17 125 653	13 327 874
Cash and cash equivalents	20 493 529	21 196 031

As at September 30, 2008 the Group had two borrowers (December 31, 2007: two borrowers) with aggregated balances of short-term deposits above 10% of shareholders' equity each. The aggregate amount of these short-term deposits was RR 16 007 998 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 Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 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:

	September 30, 2008 (unaudited)	December 31, 2007
Assets		
<i>Unpledged</i>		
Debt and other fixed-income instruments		
Government and municipal bonds		
Federal loan bonds (OFZ)	-	1 307 715
Regional authorities and municipal bonds	-	8 717
Corporate bonds	-	558 676
Equity investments		
Corporate shares	119 731	13 424
Derivative financial instruments		
Foreign currency contracts	6 930	551
Total unpledged financial assets at fair value through profit or loss	126 661	1 889 083
<i>Pledged under sale and repurchase agreements</i>		
Debt and other fixed-income instruments		
Government and municipal bonds		
Regional authorities and municipal bonds	-	449 631
Federal loan bonds (OFZ)	209 522	1 353 214
Total pledged financial assets at fair value through profit or loss	209 522	1 802 845
Total financial assets at fair value through profit or loss	336 183	3 691 928
Liabilities		
Derivative financial instruments		
Foreign currency contracts	(13 097)	(14 304)
Total financial liabilities at fair value through profit or loss	(13 097)	(14 304)

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 2021 (2007: between 2010 and 2036). The annual coupon rates on these bonds range from 7.4% to 9% (2007: 6% to 10%).

Corporate shares are represented by marketable shares of foreign companies.

Information on related party balances is disclosed in Note 18.

National Bank TRUST
Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

Derivative financial instruments

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

The principal amounts of certain types of financial instruments provide a basis for comparison with instruments recorded on the consolidated interim condensed 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.

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:

September 30, 2008 (unaudited)					
	Notional principal		Average rate	Fair values	
	Buy	Sell		Asset	Liability
Foreign exchange contracts					
Spot deals - domestic counterparties	1 044 322 thousand RR	41 250 thousand US Dollars	25.32	2 908	-
Spot deals - domestic counterparties	65 000 thousand US Dollars	1 649 180 thousand RR	25.37	-	(8 164)
Spot deals - domestic counterparties	62 500 thousand Euro	89 878 thousand US Dollars	1.44	4 022	-
Spot deals - domestic counterparties	10 000 thousand Euro	366 000 thousand RR	36.60	-	(2 300)
Spot deals - foreign counterparties	21 000 thousand US Dollars	532 808 thousand RR	25.37	-	(2 633)
Derivative financial instruments				6 930	(13 097)
December 31, 2007					
	Notional principal		Average rate	Fair values	
	Buy	Sell		Asset	Liability
Foreign exchange contracts					
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)
Derivative financial instruments				551	(14 304)

All the above contracts mature within 1 month (December, 31 2007: 1 month) from the balance sheet date.

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

- **Spot foreign exchange contracts** – based on the estimated RR/USD, RR/EUR and EUR/USD spot rates effective as at September 30, 2008 and December 31, 2007.

National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

6. Held-to-Maturity Securities

Held-to-maturity securities comprise:

	September 30, 2008 (unaudited)	December 31, 2007
<i>Unpledged</i>		
Federal loan bonds (OFZ)	235 141	-
<i>Pledged under sale and repurchase agreements</i>		
Federal loan bonds (OFZ)	693 100	-
Total held-to-maturity securities	928 241	-

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. The annual coupon rates on these bonds range from 6.9% to 10%.

On August, 1 2008 a part of Federal loan bonds (OFZ) portfolio has been reclassified out of financial assets at fair value through profit or loss category to held-to-maturity category in accordance with changes in accounting policy resulting from the initial application of amendments to IFRS (refer to Note 3). As at September 30, 2008, the carrying value of these Federal loan bonds (OFZ) amounted to RR 928 241 thousand and their fair value amounted to RR 834 477 thousand. Had the Federal loan bonds (OFZ) not been reclassified, the net income of the Group would have been RR 93 764 thousand lower.

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

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National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

7. Loans to Customers

Loans to customers comprise:

	September 30, 2008 (unaudited)	December 31, 2007
Commercial loans		
Loans to large corporates	4 461 234	5 263 466
Factoring receivables	4 453 113	4 060 833
Loans to small and medium companies	5 053 991	3 009 618
Total commercial loans	13 968 338	12 333 917
Loans to individuals		
Consumer loans	19 214 370	13 806 444
Auto loans	6 665 709	6 788 581
Micro loans	4 048 758	3 257 990
Credit cards	1 632 333	1 235 411
Mortgage loans	558 232	614 263
Other loans to individuals	246 216	319 109
Total loans to individuals	32 365 618	26 021 798
Loans to customers	46 333 956	38 355 715
Allowance for impairment	(3 535 503)	(2 266 142)
Loans to customers (net of allowance for impairment)	42 798 453	36 089 573

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.

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National Bank TRUST
Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

Movements in the loan impairment allowance by classes of commercial loans for the nine months ended September 30, 2008 and September 30, 2007 are as follows:

	Loans to large corporates	Factoring receivables	Loans to small and medium companies	Total
December 31, 2006	302 044	-	5 438	307 482
Allowance for impairment (unaudited)	(13 827)	-	16 618	2 791
Write-offs (unaudited)	(50 987)	-	-	(50 987)
September 30, 2007 (unaudited)	237 230	-	22 056	259 286
December 31, 2007	289 544	126 038	26 561	442 143
Allowance for impairment (unaudited)	(171 445)	226 807	37 940	93 302
Write-offs (unaudited)	(34 155)	-	-	(34 155)
Amounts recovered on loans previously written off (unaudited)	39 186	-	-	39 186
September 30, 2008 (unaudited)	123 130	352 845	64 501	540 476

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 installment 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 nine months ended September 30, 2008 and September 30, 2007 are as follows:

	Consumer loans	Auto loans	Micro loans	Credit cards	Mortgage loans	Other loans to individuals	Total
December 31, 2006	303 693	422 006	17 194	28 978	322	7 349	779 542
Allowance for impairment (unaudited)	349 275	230 068	51 099	85 087	4 158	1 286	720 973
September 30, 2007 (unaudited)	652 968	652 074	68 293	114 065	4 480	8 635	1 500 515
December 31, 2007	770 013	808 804	86 736	146 699	6 666	5 081	1 823 999
Allowance for impairment (unaudited)	868 492	308 614	64 688	45 779	6 111	3 590	1 297 274
Write-offs (unaudited)	(164 345)	(5 668)	-	-	-	-	(170 013)
Amounts recovered on loans previously written off (unaudited)	32 499	11 268	-	-	-	-	43 767
September 30, 2008 (unaudited)	1 506 659	1 123 018	151 424	192 478	12 777	8 671	2 995 027

National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

As at September 30, 2008 the Bank transferred factoring receivables in the amount of RR 3 422 823 thousand (December 31, 2007: nil), to its subsidiary RSFR No 1 S.A. (refer to Note 19). These loans are pledged by the Group under secured Eurobonds issued by RSFR No 1 S.A. As at September 30, 2008, the carrying amount of the notes was RR 1 311 806 thousand (December 31, 2007: nil). Refer to Note 11.

As at September 30, 2008 the Bank transferred loans to individuals, including auto loans of RR 2 395 248 thousand (December 31, 2007: RR 1 153 535 thousand) and consumer loans of RR 6 160 190 thousand (December 31, 2007: RR 4 907 970 thousand), 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 September 30, 2008, the carrying amount of the notes was RR 5 271 794 thousand (December 31, 2007: 3 694 202). Refer to Note 11.

As at September 30, 2008 and December 31, 2007 the Group had no borrowers with an aggregated loan balances above 10% of shareholder's equity each.

During the nine months ended September 30, 2008 the Group obtained assets with an aggregate fair value of RR 45 392 thousand (nine months ended September 30, 2007: nil) by taking control of collateral accepted as security for commercial loans. These assets consist of land in Permskaya region and are shown as investment property in these consolidated interim condensed financial statements at their fair value. Their fair value on acquisition was based on the results of an independent appraisal performed by LLC "Bureau of independent appraisals "INDEX".

Information on related party balances is disclosed in Note 18.

8. Property, Equipment and Intangibles

The movements of property, equipment and intangibles during the nine months ended September 30, 2008 were as follows:

	Buildings	Land and other premises	Fixtures and equipment	Software and licenses	Customer relationships	Total
Cost/Revalued amount						
December 31, 2007	1 714 037	804 575	1 399 790	466 460	455 705	4 840 567
Additions (unaudited)	187 779	42 884	171 636	74 605	-	476 904
Disposals (unaudited)	(8 008)	(360 721)	(22 438)	(31 056)	-	(422 223)
September 30, 2008 (unaudited)	1 893 808	486 738	1 548 988	510 009	455 705	4 895 248
Accumulated depreciation and amortization						
December 31, 2007	-	1 607	594 277	131 487	-	727 371
Charge for the period (unaudited)	28 970	268	178 843	73 041	67 987	349 109
Disposals (unaudited)	(13)	-	(18 669)	(31 056)	-	(49 738)
September 30, 2008 (unaudited)	28 957	1 875	754 451	173 472	67 987	1 026 742
Net book value						
December 31, 2007	1 714 037	802 968	805 513	334 973	455 705	4 113 196
September 30, 2008 (unaudited)	1 864 851	484 863	794 537	336 537	387 718	3 868 506

As at September 30, 2008 land and other premises included assets under construction in the amount of RR 454 253 thousand (December 31, 2007: RR 772 179 thousand).

As at September 30, 2008 the gross carrying amount of fully depreciated fixtures and equipment that are still in use by the Group was RR 238 785 thousand (December 31, 2007: RR 184 882 thousand).

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National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

9. Amounts Due to Credit Institutions

Amounts due to credit institutions comprise:

	September 30, 2008 (unaudited)	December 31, 2007
Vostro accounts	403 697	525 894
Term deposits	1 906 892	2 382 029
Repurchase agreements	784 278	1 711 797
Amounts due to credit institutions	3 094 867	4 619 720

As at September 30, 2008 the Group had no counterparties with aggregated balances above 10% of shareholders' equity. As at December 31, 2007 the Group had two counterparties with aggregated balances above 10% of shareholders' equity each. The aggregate amount of these deposits was 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:

	September 30, 2008 (unaudited)	December 31, 2007
<i>Current accounts and demand deposits</i>		
- Individuals	3 509 822	3 728 038
- Corporate	13 825 730	12 055 424
<i>Term deposits</i>		
- Individuals	18 569 627	16 677 430
- Corporate	5 613 079	9 204 995
<i>Subordinated debt</i>	1 421 475	1 372 980
Amounts due to customers	42 939 733	43 038 867

Subordinated debt represents deposits of a foreign company with an aggregate nominal amount of USD 55 000 thousand or RR 1 388 552 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 September 30, 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 9 708 571 thousand (December 31, 2007: RR 6 701 075 thousand).

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National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

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

	September 30, 2008 (unaudited)	December 31, 2007
Private companies	20 537 244	22 383 973
Individuals	22 079 449	20 405 468
State companies and local authorities	323 040	249 426
Amounts due to customers	42 939 733	43 038 867

Information on related party balances is disclosed in Note 18.

11. Debt Securities Issued

Debt securities issued comprise:

	September 30, 2008 (unaudited)	December 31, 2007
Notes secured by the pool of auto and consumer loans	5 271 794	3 694 202
Eurobonds	5 168 469	4 385 751
Promissory notes and certificates of deposit	1 544 277	906 081
Eurobonds secured by the pool of factoring receivables	1 311 806	-
Credit linked notes	1 182 119	1 124 173
Debt securities issued	14 478 465	10 110 207

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 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.

In July 2008 the Group issued Eurobonds (secured by the pool of factoring receivables) with a nominal value of RR 3 800 000 thousand and interest rate MOSPRIME+4.5% with maturity in 2011 (Refer to Note 7). These Eurobonds were redeemed before the due date on October, 8 2008.

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.

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National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

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 September 30, 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.

During the period ended September 30, 2008 the Group received a contribution from its shareholders in the form of granting a loan to the Group at rates below market, resulting in a gain on origination, recognized as additional paid-in capital, of RR 13 174 thousand, net of deferred tax of RR 4 160 thousand.

During the nine months ended September 30, 2008 the Group made a distribution to shareholders in the form of the early redemption of a loan, granted to the Group at rates below market, resulting in a loss of RR 17 726 thousand, net of deferred tax of RR 5 598 thousand.

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

13. Interest Income and Interest Expense

	9 months ended September 30, 2008 (unaudited)	9 months ended September 30, 2007 (unaudited)	3 months ended September 30, 2008 (unaudited)	3 months ended September 30, 2007 (unaudited)
Interest income				
Loans to customers	7 722 553	4 779 137	2 856 548	1 863 944
Amounts due from credit institutions	1 183 827	495 674	444 906	252 377
Debt securities	229 446	263 041	49 296	84 653
Total interest income	9 135 826	5 537 852	3 350 750	2 200 974
Interest expense				
Amounts due to customers	2 553 758	1 423 072	1 009 309	553 315
Debt securities issued	961 645	523 583	275 221	279 660
Amounts due to credit institutions	271 754	55 509	60 721	29 439
Total interest expense	3 787 157	2 002 164	1 345 251	862 414
Net interest income	5 348 669	3 535 688	2 005 499	1 338 560

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National Bank TRUST
Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

14. Fee and Commission Income and Fee and Commission Expense

	9 months ended September 30, 2008 (unaudited)	9 months ended September 30, 2007 (unaudited)	3 months ended September 30, 2008 (unaudited)	3 months ended September 30, 2007 (unaudited)
Fee and commission income				
Settlement operations	639 586	528 807	240 337	150 428
Contractual penalties from customers	140 455	33 390	50 051	8 026
Agency fees	110 383	29 511	38 457	20 007
Rental fees	47 448	32 389	16 425	9 970
Loan prolongation fees	23 516	-	-	-
Guarantees issued	15 417	13 553	6 275	1 471
Other	49 478	18 700	15 571	5 624
Fee and commission income	1 026 283	656 350	367 116	195 526
Fee and commission expense				
Settlement operations	181 636	126 494	64 745	46 667
Other	27 196	29 642	9 165	13 469
Fee and commission expense	208 832	156 136	73 910	60 136
Net fee and commission income	817 451	500 214	293 206	135 390

15. Salaries and Employment Benefits and Administrative Expenses

	9 months ended September 30, 2008 (unaudited)	9 months ended September 30, 2007 (unaudited)	3 months ended September 30, 2008 (unaudited)	3 months ended September 30, 2007 (unaudited)
Salaries and employment benefits				
Salaries and other compensation	2 013 377	1 610 133	677 781	541 882
Social security costs	360 281	307 880	101 266	97 612
Other	9 085	12 829	3 892	3 803
Salaries and employment benefits	2 382 743	1 930 842	782 939	643 297
Administrative expenses				
Rent	462 764	254 778	161 420	54 441
Business development	323 472	247 637	159 268	90 097
Operating taxes	180 110	149 020	62 637	58 383
Communication	145 868	137 147	57 503	48 384
State deposit insurance system	86 205	55 461	30 775	36 250
Security	69 844	68 433	24 458	23 602
Stationary and inventory	60 779	25 527	26 725	8 363
Utilities	52 015	49 789	18 408	23 450
Other	68 232	50 459	29 749	8 719
Administrative expenses	1 449 289	1 038 251	570 943	351 689

National Bank TRUST
Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

16. Taxation

Income tax expense comprises:

	9 months ended September 30, 2008 (unaudited)	9 months ended September 30, 2007 (unaudited)	3 months ended September 30, 2008 (unaudited)	3 months ended September 30, 2007 (unaudited)
Current tax benefit/(expense)	19 321	34 251	(73 717)	31 376
Deferred tax movement	(14 708)	(29 797)	29 251	(56 400)
Income tax benefit/(expense)	4 613	4 454	(44 466)	(25 024)

Russian legal entities must file individual tax declarations. The tax rate for banks for income other than interest income on state securities was 24% for the nine months ended September 30, 2008 and September 30, 2007. The tax rate for interest income on state securities is 15%. The tax rates for the Group's consolidated 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:

	9 months ended September 30, 2008 (unaudited)	9 months ended September 30, 2007 (unaudited)	3 months ended September 30, 2008 (unaudited)	3 months ended September 30, 2007 (unaudited)
Income before taxation	496 331	258 451	164 377	142 836
Statutory tax rate	24%	24%	24%	24%
Theoretical income tax at statutory rate	(119 119)	(62 028)	(39 451)	(34 280)
Tax effect of items taxed in different jurisdictions	(5 339)	(7 170)	(579)	1 197
State securities income taxed at 15%	14 103	22 297	3 509	5 348
Non-deductible expenditures, net of non-taxable income	(36 110)	(20 645)	(7 945)	2 711
Release of provision for tax claims	151 079	72 000	-	-
Income tax benefit/(expense)	4 614	4 454	(44 466)	(25 024)

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National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

Tax assets and liabilities consist of the following:

	September 30, 2008 (unaudited)	December 31, 2007
Current tax assets	161 995	160 028
Tax assets	161 995	160 028
Current tax liabilities	92 784	199 667
Deferred tax liabilities	276 771	265 380
Tax liabilities	369 555	465 047

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 substantial 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 these issues are being examined by the courts and if the 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 these consolidated interim condensed financial statements, which as at September 30, 2008 comprised RR 82 380 thousand.

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. 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. As a result the total provision for potential tax liabilities as at December 31, 2007 comprised RR 171 580 thousand.

During the nine months ended September 30, 2008 the amount of the above claims reduced by RR 151 079 thousand as the result of a court decision. No additional provisions for potential tax liabilities were recorded in the consolidated interim condensed financial statements. As a result the total provision for potential tax liabilities as at September 30, 2008 comprised RR 20 501 thousand, which represents the full amount of outstanding tax claims. Management believes that this provision is the best estimate of potential tax losses.

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National Bank TRUST**Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 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 September 30, 2008 and December 31, 2007, this minimum level is 10%. The Group was in compliance with the statutory capital ratio during the periods ended September 30, 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 September 30, 2008 and December 31, 2007:

	September 30, 2008 (unaudited)	December 31, 2007
Tier 1 capital:		
Share capital	2 896 441	2 896 441
Additional paid-in capital	4 287 609	4 274 435
Retained earnings	1 023 906	534 881
Total tier 1 capital	8 207 956	7 705 757
Tier 2 capital:		
Revaluation reserves for property, equipment and intangibles, and for available-for-sale assets	564 336	576 096
Subordinated debt (unamortized portion)	1 388 552	1 350 041
Total tier 2 capital	1 952 888	1 926 137
Total capital	10 160 844	9 631 894
Risk-weighted assets:		
Banking book	53 739 821	45 380 197
Trading book	395 988	2 505 214
Total risk-weighted assets	54 135 809	47 885 411
Total tier 1 capital expressed as a percentage of risk-weighted assets (tier 1 capital ratio)	15.2	16.1
Total capital expressed as a percentage of risk-weighted assets (total capital ratio)	18.8	20.1

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 complied with all externally imposed capital requirements during the periods ended September 30, 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 Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

As at September 30, 2008 and December 31, 2007 the Group had the following transactions outstanding with related parties:

September 30, 2008 (unaudited)					
	Transactions with shareholders and entities under common control of 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: 0.0%, FC: 0.0%)	-	-	-	272 029	1 439 130
Short-term deposits with other credit institutions (FC: 4.5%)	-	-	-	363 700	17 125 653
Financial assets at fair value through profit or loss (FC: 0.0%)	-	-	-	6 912	336 183
Amounts due from credit institutions (FC: 11.0%)	429 189	-	-	-	431 712
Loans to customers (gross amount) (RR: 13.25% - 13.50%; FC: 10.0% - 15.0%)	14 205	10 575	252 768	126 456	46 333 956
Allowance for impairment	(7)	(77)	(1 393)	(536)	(3 535 503)
Other assets (RR: 0.0%)	-	-	52	-	814 431
Total assets	443 387	10 498	251 427	768 561	
Financial liabilities at fair value through profit or loss (RR: 0.0%)	2 633	-	-	10 464	13 097
Amounts due to credit institutions	-	-	-	2 333	403 697
Amounts due to customers					
Current accounts (RR: 0.0% - 0.1%; FC: 0.0%)	163 584	29	-	27 777	17 335 552
Term deposits (RR: 10.5% - 13.0%; FC: 0.0% - 11.5%)	323 327	8 942	-	-	24 182 706
Debt securities issued (RR: 7.3% - 13.9%; FC: 9.375%)	1 348 493	-	-	1 540 642	14 478 465
Total liabilities	1 838 037	8 971	-	1 581 216	

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National Bank TRUST
Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

December 31, 2007					
	Transactions with shareholders and entities under common control of 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: 0.0%, FC: 0.0%)	-	-	-	4 753	1 120 104
Financial assets at fair value through profit or loss (FC: 0.0%)	-	-	-	162	3 691 928
Amounts due from credit institutions (RR: 0.0%)	-	-	-	9 676	23 223
Available-for-sale assets (FC: 9.25%)	-	-	-	185 675	185 675
Loans to customers (gross amount) (FC: 10.0% - 15.0%)	12 709	11 599	-	-	38 355 715
Allowance for impairment	(78)	(69)	-	-	(2 266 142)
Other assets (RR: 0.0%)	-	-	52	2 827	818 280
Total assets	12 631	11 530	52	203 093	
Financial liabilities at fair value through profit or loss (FC: 0.0%)	-	-	-	5 199	14 304
Amounts due to credit institutions					
Vostro accounts (RR: 0.0%, FC: 0.0%)	-	-	-	34 272	525 894
Repurchase agreements (FC: 5.05%)	-	-	-	11 325	1 711 797
Amounts due to customers					
Current accounts (RR: 0.0% - 0.1%, FC: 0.0%)	211 784	-	-	-	15 783 462
Term deposits (RR: 7.25% - 12.1%, FC: 9.0%)	2 302 012	16 185	-	-	25 882 425
Debt securities issued (RR: 8.9%)	722 770	-	-	182 449	10 110 207
Total liabilities	3 236 566	16 185	-	233 245	

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

The total remuneration of key management, including pension contributions, and discretionary compensation included in salaries and employment benefits for nine months ended 30 September 2008 amounted to RR 253 282 thousand (nine months 2007: RR 189 600 thousand).

During the nine months ended September 30, 2008 the Group sold certain assets under construction in the amount of RR 260 966 thousand to a company controlled by its shareholders. As the result of this transaction the Group recognized no gain or loss in the consolidated interim condensed 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 Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008**

(Thousands of Russian Roubles except otherwise stated)

19. Subsidiaries

As at September 30, 2008 and December 31, 2007 the Bank had investments in the following subsidiaries:

Name	Investment as at 30 September 2008 (unaudited)	Investment as at 31 December 2007	Country	% Equity interest as at 30 September 2008 (unaudited)	% Equity interest as at 31 December 2007
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	-	-
RSFR No 1 S.A.	-	-	Luxemburg	-	-
NBT Finance Limited	-	-	Ireland	-	-
ZAO "Interregional factoring company "Trust" (IFC TRUST)	204 934	204 934	Russian Federation	100%	100%
Metcalf Investment Limited	-	70	Cyprus	-	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, RSCC No 1 S.A. and RSFR 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 consolidated interim condensed financial statements of the Group.

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

During the nine months ended September 30, 2008 Metcalfe Investment Limited has been sold by the Group. As the result of this transaction the Group recognized no gain or loss in the consolidated interim condensed income statement.

The consolidated interim condensed financial statements of the Group as at September 30, 2008 included the accounts of TIB Holding S.A., Fiennes Investments Limited, TIB Financial Services Limited, RSCC No 1 S.A., RSFR No 1 S.A., NBT Finance Limited and IFC TRUST (December 31, 2007: TIB Holding S.A., Fiennes Investments Limited, TIB Financial Services Limited, RSCC No 1 S.A., NBT Finance Limited, Metcalfe Investment Limited and IFC TRUST).

20. Subsequent Events

Starting from August 2008 there has been a significant worldwide decrease in securities and commodities markets and a general slowdown of economic development both in the emerging and developed countries. Russian securities prices fell sharply – the Moscow Interbank Currency Exchange (MICEX) stock index decreased from 1 693 points on 1 July 2008 to 661 points on 23 December 2008. Over the same period the exchange rate of Ruble to U.S. Dollar fell from 23.41 to 28.27; the rate of Ruble to Euro fell from 36.97 to 39.55. While the Group has not yet quantified the effect of these changes in market prices, it is expected that subsequent to reporting date the Group incurred significant realised and unrealised losses on its open securities and foreign currency positions.

The general liquidity situation significantly deteriorated both on international markets and in Russia. As a result, the volume of eurobond issues and similar wholesale financing raised by Russian banks has significantly reduced. Such circumstances may affect the ability of the Group to obtain new borrowings and refinance its existing borrowings on terms and conditions that applied to similar transactions in recent periods. Corporate and individual borrowers of the Bank may also be affected by the lower liquidity situation and the downturn in the Russian Federation, which could in turn impact their ability to repay their amounts owed.

National Bank TRUST

Notes to Consolidated Interim Condensed Financial Statements for the Nine Months Ended September 30, 2008

(Thousands of Russian Roubles except otherwise stated)

Since September 2008 the Russian Government implemented certain measures to support the Russian banking system. As part of such measures, subsequent to the reporting date the Group received significant funding from the CBR.

In October 2008 the Group received one-year deposits from the CBR totalling RR 4 594 million bearing from 10 to 11% annual interest.

Starting from November 20, 2008, National Bank TRUST has merged with Investment Bank TRUST thus incorporating all its assets and liabilities. Subsequent to that date Investment Bank TRUST has ceased its independent activities.

On 1 December 2008 the Group disposed of 100% of its shareholding in IFC TRUST.

(End)