

Home Credit and Finance Bank

**Consolidated Interim Financial Statements
for the three month period ended 31 March 2007**

(unaudited)

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*Home Credit and Finance Bank
Consolidated Interim Income Statement
for the three month period ended 31 March 2007*

	Note	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Interest income	4	3,551,650	2,504,968
Interest expense	4	<u>(714,279)</u>	<u>(596,596)</u>
Net interest income		2,837,371	1,908,372
Fee and commission income	5	431,380	346,445
Fee and commission expense	6	<u>(243,090)</u>	<u>(374,044)</u>
Net fee and commission income		188,290	(27,599)
Other operating income, net	7	<u>131,971</u>	<u>62,048</u>
Operating income		3,157,632	1,942,821
Impairment losses	8	(1,648,209)	(995,979)
General administrative expenses	9	<u>(1,235,428)</u>	<u>(758,527)</u>
Operating expenses		<u>(2,883,637)</u>	<u>(1,754,506)</u>
Profit before tax		273,995	188,315
Income tax expense	10	<u>(69,700)</u>	<u>(63,787)</u>
Net profit attributable to participants		<u>204,295</u>	<u>124,528</u>

The interim consolidated financial statements as set out on pages 3 to 17 were approved by the Board of Management on 30 April 2007.

Chairman of the Management Board



Lykov A.V.

Chief Financial Officer

A handwritten signature in black ink, appearing to be 'I.V. Kolikova'.

Kolikova I.V.

Home Credit and Finance Bank
Consolidated Interim Balance Sheet
as at 31 March 2007

	Note	31 Mar 2007	31 Dec 2006
		TRUB	TRUB
ASSETS			
Cash and cash equivalents	11	4,383,588	5,699,391
Placements with banks and other financial institutions	12	903,514	1,055,806
Loans to customers	13	34,548,389	31,780,630
Financial assets at fair value through profit or loss	14	1,096,855	1,041,509
Property, equipment and intangible assets	15	5,205,716	4,390,821
Investment in associate		847	1,855
Deferred tax asset		349,951	423,880
Current income tax receivable		124,090	29,509
Other assets	16	<u>743,102</u>	<u>963,045</u>
Total assets		47,356,052	45,386,446
LIABILITIES			
Debt securities issued	17	(23,284,196)	(24,318,770)
Due to banks and other financial institutions	18	(9,734,541)	(6,803,288)
Current accounts and deposits from customers	19	(3,194,595)	(3,170,607)
Financial liabilities at fair value through profit or loss	20	(282,867)	(169,817)
Current income tax payable		-	(539,881)
Other liabilities	21	<u>(693,442)</u>	<u>(421,967)</u>
Net assets attributable to participants	22	<u>10,166,411</u>	<u>9,962,116</u>

Home Credit and Finance Bank
Consolidated Interim Statement of Cash Flows
for the three month period ended 31 March 2007

	Note	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Operating activities			
Profit before tax		273,995	188,316
Adjustments for:			
Impairment losses	8	1,648,209	995,979
Net unrealised foreign exchange loss/(gain)		4,150	(193,232)
Net accrued interest (income)/expense		(19,214)	14,736
Net accrued fee expense/(income)		408,394	(22,933)
Depreciation and amortisation	9	64,073	35,810
Net loss on disposal of property, equipment and intangible assets		1,283	-
(Gain)/loss on disposal of financial assets at fair value through profit or loss		(7,795)	121
Net gain on revaluation of financial assets at fair value through profit or loss		(242)	(7,593)
Net accrued general administrative expenses		<u>(115,190)</u>	<u>33,106</u>
Net operating cash flow before changes in working capital		2,257,663	1,044,310
Increase in loans to customers		(3,899,838)	(1,084,340)
Decrease/(increase) in placements with banks and other financial institutions		160,608	(214,916)
Increase in financial assets at fair value through profit or loss		(35,856)	(773,160)
Decrease in other assets		612,956	14,382
Increase/(decrease) in deposits from banks and other financial institutions		57,490	(39,364)
Increase in current accounts and deposits from customers		2,931,260	1,217,918
(Decrease)/increase in debt securities issued		(975,127)	384,404
Decrease in other liabilities		<u>(898,072)</u>	<u>(67,427)</u>
Cash flows from operations		211,084	481,807
Income taxes paid		<u>(630,234)</u>	<u>(71,504)</u>
Cash flows from operating activities		<u>(419,150)</u>	<u>410,303</u>
Investing activities			
Proceeds from sale of property and equipment		1,026	-
Acquisition of property, equipment and intangible assets		<u>(881,277)</u>	<u>(188,299)</u>
Cash flows from investing activities		<u>(880,251)</u>	<u>(188,299)</u>
Cash flows from financing activities			
		<u>-</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(1,299,401)	222,005
Cash and cash equivalents at 1 January	11	5,699,391	9,466,203
Foreign exchange effect on cash and cash equivalents		<u>(16,402)</u>	<u>(142,695)</u>
Cash and cash equivalents at 30 June	11	<u><u>4,383,588</u></u>	<u><u>9,545,513</u></u>

1. Description of the Group

Home Credit and Finance Bank (the “Bank”) was established in the Russian Federation as a Limited Liability Company and was granted its banking license in 1990.

Registered office

317A Zelenograd
 Moscow 124482
 Russian Federation

Participants	Country of incorporation	Ownership interest (%)	
		31 Mar 2007	31 Dec 2006
Home Credit B.V.	The Netherlands	99.99	99.99
Chvatal Ladislav	-	0.01	0.01

The ultimate controlling entity is PPF Group N.V. registered in the Netherlands.

Consolidated subsidiaries	Country of incorporation	Ownership interest (%)	
		31 Mar 2007	31 Dec 2006
Infobos (LLC)	Russian Federation	100.00	100.00
Liko-Technopolis (LLC)	Russian Federation	100.00	100.00
Financial Innovations (LLC)	Russian Federation	100.00	100.00
Global Credit Bureau (LLC)	Russian Federation	100.00	100.00
Eurasia Capital S.A.	Luxemburg	see below	see below
Eurasia Structured Finance No.1 S.A.	Luxemburg	see below	see below

Eurasia Capital S.A. and Eurasia Structured Finance No.1 S.A. are special purpose entities established to facilitate the Group’s issues of debt securities (refer to Note 17).

Associates	Country of incorporation	Ownership interest (%)	
		31 Mar 2007	31 Dec 2006
Global Credit Payment Services (LLC)	Russian Federation	50.00	50.00

Council

Board of Management

Smejč Jiri	Chairman	Lykov Andrei	Chairman
Bernshtam Eugene	Deputy Chairman	Soukup Vaclav	First Deputy Chairman
Stanek Stanislav	Member	Mosolov Dmitri	Deputy Chairman
Dolezel Igor	Member	Stanek Stanislav	Deputy Chairman
Kolikova Irina	Member		

Principal activities

The principal activity of the Bank and its subsidiaries (together referred to as the “Group”) is the provision of consumer financing to private individual customers in the Russian Federation. The activities of the Group are regulated by the Central Bank of the Russian Federation (“the CBR”).

2. Basis of preparation

The consolidated interim financial statements follow, in the context of measurement, all requirements of International Financial Reporting Standards (IFRS), including International Accounting Standards (IAS), promulgated by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB. The disclosures in these 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 financial statements for the period ended 31 December 2006, as these consolidated interim financial statements provide an update of previously reported financial information.

3. Significant accounting policies

(a) Accounting policies

The significant accounting policies applied in the preparation of the 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 2006.

As at 1 January 2007, the Group has adopted IFRS 7 *Financial Instruments: Disclosures* and Amendment to IAS 1 *Presentation of Financial Statements – Capital Disclosures*. The adoption of the above new standards had no impact on the reported profits or financial position of the Group.

4. Interest income and interest expense

	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Interest income		
Loans to individuals	3,448,277	2,340,700
Placements with banks and other financial institutions	73,158	116,871
Securities	15,943	39,907
Loans to corporations	14,272	7,490
	<u>3,551,650</u>	<u>2,504,968</u>
Interest expense		
Debt securities issued	547,965	462,095
Due to banks and other financial institutions	166,026	133,622
Current accounts and deposits from customers	288	879
	<u>714,279</u>	<u>596,596</u>

5. Fee and commission income

	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Fees from retailers	176,766	221,050
Cash operations	130,323	85,979
Insurance agent commissions	110,705	33,157
Other	13,586	6,259
	<u>431,380</u>	<u>346,445</u>

6. Fee and commission expense

	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Customer payments processing and account maintenance	156,362	168,556
Product delivery fees	43,278	195,732
Enforcement fees	38,424	7,716
Other	5,026	2,040
	<u>243,090</u>	<u>374,044</u>

7. Other operating income, net

	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Net foreign exchange (expense)/income	(100,381)	5,997
Contractual penalties from customers	188,852	41,922
Other	43,500	14,129
	<u>131,971</u>	<u>62,048</u>

8. Impairment losses

	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Loans to customers	1,649,655	993,081
Other assets	(1,446)	2,898
	<u>1,648,209</u>	<u>995,979</u>

9. General administrative expenses

	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Employee compensation	490,428	291,468
Payroll related taxes	133,413	80,159
Communications and information services	126,046	76,499
Occupancy	98,644	53,868
Taxes other than income tax	95,178	93,014
Depreciation and amortisation	64,073	35,810
Advertising and marketing	58,836	28,626
Professional services	45,157	35,543
Travel expenses	24,406	13,850
Repairs and maintenance	21,997	10,940
Other	77,250	38,750
	<u>1,235,428</u>	<u>758,527</u>

10. Income tax expense

	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Current tax benefit (overprovided in previous periods)/(expense)	4,228	(82)
Deferred tax expense	<u>(73,928)</u>	<u>(63,705)</u>
	<u>(69,700)</u>	<u>(63,787)</u>
 Reconciliation of effective tax rate		
	3 months ended 31 Mar 2007 TRUB	3 months ended 31 Mar 2006 TRUB
Profit before tax	<u>273,995</u>	<u>188,316</u>
Income tax using the applicable tax rate (24%)	(65,759)	(45,196)
Net non-deductible costs	(8,702)	(18,614)
Effect of income taxed at lower tax rates	533	23
Overprovided in previous periods	<u>4,228</u>	<u>-</u>
	<u>(69,700)</u>	<u>(63,787)</u>

11. Cash and cash equivalents

	31 Mar 2007 TRUB	31 Dec 2006 TRUB
Placements with banks and other financial institutions due within one month	3,806,299	4,341,146
Nostro accounts with the CBR	248,253	1,000,862
Cash	<u>329,036</u>	<u>357,383</u>
	<u>4,383,588</u>	<u>5,699,391</u>

Included in placements with banks and other financial institutions due within one month above is exposure to one counterparty exceeding 10% of net assets attributable to participants totalling TRUB 1,410,135 (31 December 2006: none).

12. Placements with banks and other financial institutions

	31 Mar 2007 TRUB	31 Dec 2006 TRUB
Term deposits with banks and other financial institutions due after one month	800,059	962,418
Minimum reserve deposit with the CBR	<u>103,455</u>	<u>93,388</u>
	<u>903,514</u>	<u>1,055,806</u>

12. Placements with banks and other financial institutions (continued)

The minimum reserve deposit is a mandatory non-interest bearing deposit calculated in accordance with regulations issued by the CBR and whose withdrawability is restricted.

13. Loans to customers

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Consumer loans	22,200,624	23,125,856
Credit card loans	15,237,387	11,736,509
Cash loans	2,503,352	1,821,494
Mortgage loans	342,986	38,780
Car loans	633	-
Loans to corporations	26,531	28,723
Accumulated impairment losses	<u>(5,763,124)</u>	<u>(4,970,732)</u>
	<u>34,548,389</u>	<u>31,780,630</u>

The Group considers loans which are contractually overdue for more than 90 days to be non-performing. As of 31 March 2007 total non-performing loans amounted to TRUB 5,733,621 (31 December 2006: TRUB 5,203,158).

Analysis of movements in accumulated impairment losses

	3 months	3 months
	ended	ended
	31 Mar 2007	31 Mar 2006
	TRUB	TRUB
Balance at 1 January	4,970,732	3,811,725
Impairment losses recognised in the income statement	1,649,655	993,081
Amount related to loans written off	<u>(857,263)</u>	<u>-</u>
Balance at 31 March	<u>5,763,124</u>	<u>4,804,806</u>

Loan and receivables overdue over one year where further collection procedures are economically unfeasible are written off. The amount of loans written off during the three month period ended 31 March 2007 totalled to TRUB 857,263 (three months ended 31 March 2006: none).

As at 31 March 2007 consumer loans with the total carrying amount of TRUR 4,624,207 (31 March 2006: TRUB 4,104,885) were collateralised in relation to the notes issued by the Eurasia Structured Finance No.1 S.A. as a part of consumer loan securitisation transaction (refer to Note 17). Eurasia Structured Finance No.1 S.A. can not sell or repledge these consumer loans to other parties save for the obligation of the Bank to repurchase ineligible consumer loans.

14. Financial assets at fair value through profit or loss

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Debt securities	1,020,181	1,017,558
Equity securities	41,769	-
Positive fair value of derivative instruments	34,905	23,951
	<u>1,096,855</u>	<u>1,041,509</u>

15. Property, equipment and intangible assets

(a) Intangible assets

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Acquisition cost	297,313	296,722
Accumulated amortisation	(24,076)	(21,526)
Carrying amount	<u>273,237</u>	<u>275,196</u>

(b) Property and equipment

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Acquisition cost	5,972,611	5,098,685
Accumulated amortisation	(1,040,132)	(983,060)
Carrying amount	<u>4,932,479</u>	<u>4,115,625</u>

16. Other assets

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Settlements with suppliers	484,647	739,278
Accrued income	137,218	55,423
Prepaid expenses	68,402	86,747
Materials, supplies and inventories	34,006	43,253
Taxes other than income tax	11,766	10,025
Other	18,101	40,803
Accumulated impairment losses	(11,038)	(12,484)
	<u>743,102</u>	<u>963,045</u>

17. Debt securities issued

			31 Mar 2007	31 Dec 2006
	Maturity	Interest rate	TRUB	TRUB
Loan participation notes issue 2 of TUSD 275,000	June 2008	Fixed	7,271,479	7,516,817
Loan participation notes issue 1 of TUSD 150,000	February 2008	Fixed	3,927,798	4,062,347
Class A1 consumer loans receivables backed notes of TEUR 100,000	May 2012	Floating	3,373,973	3,366,872
Class A2 consumer loans receivables backed notes of TEUR 13,500	May 2012	Floating	456,195	455,365
Class B consumer loans receivables backed notes of TEUR 13,000	May 2012	Floating	439,235	438,436
Unsecured RUB bond issue 4 of TRUB 3,000,000	October 2011	Variable	3,056,779	3,043,881
Unsecured RUB bond issue 3 of TRUB 3,000,000	September 2010	Variable	1,670,107	3,002,039
Unsecured RUB bond issue 2 of TRUB 3,000,000	May 2010	Variable	<u>3,088,630</u>	<u>2,433,013</u>
			<u>23,284,196</u>	<u>24,318,770</u>

The USD denominated loan participation notes 2 were issued by the Group in June 2005 through Eurasia Capital S.A. (refer to Note 1). The proceeds from the issue were used to grant an unsecured loan to the Bank.

The USD denominated loan participation notes 1 were issued by the Group in February 2005 through Eurasia Capital S.A. (refer to Note 1). The proceeds from the issue were deposited with a fiduciary bank which used the amount to grant an unsecured loan to the Bank.

The EUR denominated consumer loan receivables backed notes were issued by the Group in December 2005 through Eurasia Structured Finance No.1 S.A. (refer to Note 1). Coupon rates are set on a monthly basis based on the EURIBOR rate. The notes can be redeemed in full at the option of Eurasia Structured Finance No.1 S.A. at par in May 2010.

Eurasia Capital S.A. and Eurasia Structured Finance No.1 S.A. are SPEs established by the Group with the primary objective of raising finance through the issuance of debt securities and securitising part of Group's consumer loan portfolio. These SPEs are controlled by the Group through the predetermination of the activities of SPEs, having rights to obtain the majority of benefits of the SPEs, and retaining the majority of the residual risks related to the SPEs.

The RUB denominated bonds 4 were issued by the Group in October 2006 with a fixed coupon rate valid for the subsequent twenty four months. Coupon rates for the subsequent period (or periods) and the maturity of the period (or periods) will be set by the Group in October 2008. Bondholders are entitled to require early redemption of the bond issue at par in October 2008.

The RUB denominated bonds 3 were issued by the Group in September 2005 with a fixed coupon rate valid for the subsequent eighteen months. Coupon rates for the subsequent eighteen month period were reset by the Group in March 2007. A portion of the RUB bonds 2 were repurchased at par in March 2007.

17. Debt securities issued (continued)

The RUB denominated bonds 2 were issued by the Group in May 2005 with a fixed coupon rate valid for the subsequent twelve months. Coupon rates for the subsequent twelve month period were reset by the Group in May 2006. A portion of the RUB bonds 2 were repurchased at par in May 2006. Some of repurchased bonds were subsequently sold by the Group on the open market.

18. Due to banks and other financial institutions

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Unsecured loans	8,144,916	5,438,025
Subordinated loans	937,404	928,424
Term deposits	375,000	399,000
Other balances	277,221	37,839
	<u>9,734,541</u>	<u>6,803,288</u>

Included in unsecured loans above is exposure to four counterparties exceeding 10% of net assets attributable to participants totalling 7,250,733 TRUB (31 December 2006: exposure to three counterparties totalling TRUB 5,415,098).

19. Current accounts and deposits from customers

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Current accounts and demand deposits	3,185,598	3,162,392
Term deposits	8,997	8,215
	<u>3,194,595</u>	<u>3,170,607</u>

20. Financial liabilities at fair value through profit or loss

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Negative fair value of derivative instruments	282,867	169,817
	<u>282,867</u>	<u>169,817</u>

21. Other liabilities

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Settlements with suppliers	418,824	296,120
Accrued employee compensation	226,134	51,181
Other taxes payable	30,385	39,589
Other	18,099	35,077
	<u>693,442</u>	<u>421,967</u>

22. Net assets attributable to participants

	Charter	Other	Retained	Total
	capital	capital	earnings	TRUB
	TRUB	TRUB	TRUB	TRUB
Balance as of 31 December 2006	4,405,707	4,630,585	925,824	9,962,116
Net profit attributable to participants	-	-	204,295	204,295
Balance as of 31 March 2007	<u>4,405,707</u>	<u>4,630,585</u>	<u>1,130,119</u>	<u>10,166,411</u>

23. Commitments

The Group has outstanding commitments to extend credit. These commitments take the form of approved credit limits related to customer's credit card accounts, approved consumer loans and approved overdraft facilities.

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Credit card commitments	10,309,250	9,040,338
Consumer loan commitments	646,701	1,351,113
Undrawn overdraft facilities	630,183	1,222,827
	<u>11,586,134</u>	<u>11,614,278</u>

The total outstanding contractual commitments to extend credit indicated above represents future cash requirements, though some of these commitments may expire or terminate without being funded.

24. Contingencies

(a) Litigation

(i) Consumer protection laws

The Russian Federation does not have legislation specifically regulating consumer lending or loan collection. In a recent court dispute between the Bank and the Russian Consumer Protection Service, the Federal Arbitration Court of the Urals Region held that a bank may not: (a) charge a fee to a borrower for the opening of loan accounts with the lending bank as a pre requisite for providing the loan; or (b) charge any prepayment or late payment penalties. The Bank amended its standard form consumer lending loan agreements to comply with this decision.

The Group's management have made an assessment of the situation above and consider that in the Russian environment the costs of making claims to have previous commission and penalties refunded for individuals and the potential uncertainty of the legal outcome would outweigh the benefits of making the claims. Consequently management consider the likelihood of a future material outflow of funds is remote and accordingly no provision has been made in these financial statements in respect of the above.

(ii) Labour disputes

Under Russian labour law, the company shall provide its employees in Far Northern regions of Russia with additional benefits, in particular, each salary payment shall be adjusted by governmentally determined factors. When the Bank calculated salaries to its employees of regional representative offices located in Far Northern regions of Russia such as Archangelsk, Irkutsk and Murmansk, it did not fully comply with the application of this law requirements: the Bank only included these factors increase in base salary compensation, whereas they should have been applied to the overall compensation package.

As of 31 March 2007 HCFB had claims from its employees totalling TRUB 4,443 pending resolution in the court. The Group's management created a provision for the full amount of such claims in these financial statements.

In November 2006, the Bank fully complied with the labour legislation. However, in the future new claims may arise in respect of the past periods of non-compliance. The Group's management assesses the likelihood of new claims to be remote as many of potential plaintiffs are still the Bank's employees and the management believes that it was paying compensation at market levels. No provisions were created in respect of these potential claims.

(b) Taxation contingencies

The taxation system in the Russian Federation is relatively new and is characterised by frequent changes in legislation, official pronouncements and court decisions, which are often unclear, contradictory and subject to varying interpretation by different tax authorities. Taxes are subject to review and investigation by a number of authorities, which have the authority to impose severe fines, penalties and interest charges. A tax year remains open for review by the tax authorities during the three subsequent calendar years; however, under certain circumstances a tax year may remain open longer. Recent events within the Russian Federation suggest that the tax authorities are taking a more assertive position in their interpretation and enforcement of tax legislation.

These circumstances may create tax risks in the Russian Federation that are substantially more significant than in other countries. Management believes that it has provided adequately for tax liabilities based on its interpretations of applicable Russian tax legislation, official pronouncements and court decisions. However, the interpretations of the relevant authorities could differ and the effect on these consolidated financial statements, if the authorities were successful in enforcing their interpretations, could be significant.

25. Operating leases

The Group leases a number of premises and equipment under operating lease. Lease payments are usually increased annually to reflect market rentals. None of the leases includes contingent rentals.

Non-cancellable operating lease rentals are payable as follows:

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Less than one year	302,206	272,024
Between one and five years	374,608	300,362
More than five years	<u>21,712</u>	<u>40,365</u>
	<u>698,526</u>	<u>612,751</u>

During the three month period ended 31 March 2007 TRUB 98,644 (three month period ended 31 March 2006: TRUB 53,868) was recognised as an expense in the income statement in respect of operating leases.

26. Capital management

The Group's lead regulator Central Bank of Russia sets and monitors capital requirements for both the Bank and the Group as a whole.

In implementing current capital requirements CBR requires the Group to maintain the ratio of total capital to total risk-weighted assets at or above the minimum level of 10%. The ratio is calculated based on financial statements prepared in accordance with Russian Banking Accounting Standards (RBAS) and the risk weighting is determined in accordance with CBR's credit risk ratios specific for individual classes of assets.

The Group also operates its capital adequacy in compliance with the methodology set out by the BIS, using the definition of capital adopted by the CBR. Tier I capital is represented by the Group's net assets attributable to participants, Tier II capital is represented by subordinated loans, up to the limit of 50% of Tier I capital as presented in these IFRS financial statements. In connection with the USD denominated loan participation notes described in Note 17 the Group covenants to maintain its Tier I capital adequacy ratio at or above the minimum level of 15%.

	31 Mar 2007	31 Dec 2006
	TRUB	TRUB
Risk weighted assets	49,730,352	45,935,918
Tier I capital	10,166,411	9,962,116
Tier II capital	<u>910,396</u>	<u>921,589</u>
Total capital	<u>11,076,807</u>	<u>10,883,705</u>
Tier I ratio	20.4%	21.7%
Capital Adequacy Ratio	22.3%	23.7%