

FINANCIAL STATEMENTS



ZAO KPMG

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INDEPENDENT AUDITORS' REPORT

TO THE COUNCIL OF OAO "PROMSVYAZBANK"

We have audited the consolidated financial statements of OAO "Promsvyazbank" and its subsidiaries (the "Group") as at and for the year ended 31 December 2009, from which the accompanying summarized consolidated financial information was derived, in accordance with International Standards on Auditing. In our report dated 14 April 2010 we expressed an unqualified opinion on the consolidated financial statements from which this summarised consolidated financial information was derived.

In our opinion, the summarised consolidated financial information is consistent, in all material respects, with the consolidated financial statements from which it was derived.

For a better understanding of the Group's consolidated financial position as at 31 December 2009 and its consolidated financial performance and its consolidated cash flows for the year then ended and the scope of our audit, the summarised consolidated financial information should be read in conjunction with the consolidated financial statements from which the summarised consolidated financial information was derived, and our audit report thereon.

ZAO KPMG

ZAO KPMG
14 April 2010

ZAO KPMG, a company incorporated under the Laws of the Russian Federation and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

**PROMSVYAZBANK CONSOLIDATED STATEMENT
OF FINANCIAL POSITION AS ON 31 DECEMBER 2009
(EXPRESSED IN THOUSANDS OF RUSSIAN ROUBLES)**

ASSETS	2009	2008
CASH AND CASH EQUIVALENTS	108 322 648	105 723 210
OBLIGATORY RESERVES WITH CENTRAL BANKS	3 149 729	992 510
PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS	5 075 800	2 426 852
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	41 751 838	14 408 817
/ Unpledged	41 688 033	13 524 941
/ Pledged under sale and repurchase agreements	63 805	883 876
AMOUNTS RECEIVABLE UNDER REVERSE REPURCHASE AGREEMENTS	10 080 301	4 574 084
LOANS TO CUSTOMERS	266 421 579	300 413 049
INVESTMENTS AVAILABLE FOR SALE	35 083	158 714
INVESTMENTS HELD TO MATURITY	7 204 938	8 880 051
ASSETS HELD FOR SALE	2 600 001	–
OTHER ASSETS	2 100 315	1 517 540
CURRENT INCOME TAX PREPAYMENTS	660 877	1 292 982
DEFERRED TAX ASSET	600 326	–
PROPERTY AND EQUIPMENT	23 207 942	21 413 219
TOTAL ASSETS	471 211 377	461 801 028
LIABILITIES		
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	1 252 225	614 859
DEPOSITS AND BALANCES FROM BANKS AND OTHER FINANCIAL INSTITUTIONS	64 780 390	111 275 357
AMOUNTS PAYABLE UNDER REPURCHASE AGREEMENTS	60 697	855 837
CURRENT ACCOUNTS AND DEPOSITS FROM CUSTOMERS	289 548 839	229 610 958
OWN SECURITIES ISSUED	43 654 712	39 368 440
OTHER BORROWED FUNDS	13 819 410	24 010 262
OTHER LIABILITIES	1 800 988	2 672 979
CURRENT INCOME TAX PAYABLE	27 341	48 002
DEFERRED TAX LIABILITY	313 033	776 151
SUBORDINATED BORROWINGS	17 748 361	12 593 599
TOTAL LIABILITIES	433 005 996	421 826 444
EQUITY		
SHARE CAPITAL	10 062 544	10 062 544
SHARE PREMIUM	13 319 695	13 319 695
ADDITIONAL PAID-IN-CAPITAL	1 056 102	1 167 515
REVALUATION RESERVE FOR PROPERTY AND EQUIPMENT	2 353 907	3 192 346
REVALUATION RESERVE FOR INVESTMENTS AVAILABLE FOR SALE	160	(66 641)
RETAINED EARNINGS	11 147 632	11 773 411
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	37 940 040	39 448 870
MINORITY INTEREST	265 341	525 714
TOTAL EQUITY	38 205 381	39 974 584
TOTAL LIABILITIES AND EQUITY	471 211 377	461 801 028

Approved by the Management Board on 14 April 2010.

LEVKOVSKIY A.A.
President



Volchenko A.U.
Senior Vice-president, CFO

The summarised consolidated financial information should be read in conjunction with the consolidated financial statements from which it was derived.

PROMSVYAZBANK
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED ON 31 DECEMBER 2009

	2009	2008
INTEREST INCOME	54 599 926	42 781 988
INTEREST EXPENSE	(28 998 318)	(20 812 220)
NET INTEREST INCOME	25 601 608	21 969 768
FEE AND COMMISSION INCOME	7 012 078	5 780 146
FEE AND COMMISSION EXPENSE	(1 406 846)	(1 055 809)
NET FEE AND COMMISSION INCOME	5 605 232	4 724 337
NET GAIN/(LOSS) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND GAIN ON EARLY REDEMPTION OF SENIOR LOAN PARTICIPATION NOTES	1 114 182	(1 842 840)
NET FOREIGN EXCHANGE GAIN	375 892	2 142 569
NET LOSS ON SALE OF MINORITY INTEREST OF SUBSIDIARIES	–	(21 942)
NET GAIN ON PURCHASE OF INTEREST OF SUBSIDIARIES	149 023	456 625
INCOME ON EARLY REDEMPTION OF OTHER FINANCIAL LIABILITIES	127 358	177 098
OTHER INCOME	1 096 694	643 805
OPERATING INCOME	34 069 989	28 249 420
LOAN IMPAIRMENT CHARGE	(20 841 815)	(13 245 407)
OTHER IMPAIRMENT CHARGE	(93 531)	(20 754)
LOSS ON REVALUATION OF FIXED ASSETS	(457 918)	(456 100)
ADMINISTRATIVE EXPENSES	(12 928 022)	(11 952 858)
GENERAL EXPENSES	(374 308)	(431 997)
	(34 695 594)	(26 107 116)
(LOSS)/PROFIT BEFORE TAX	(625 605)	2 142 304
INCOME TAX EXPENSE	(248)	(580 649)
(LOSS)/PROFIT AFTER TAX	(625 853)	1 561 655
(LOSS)/PROFIT ATTRIBUTABLE TO:		
SHAREHOLDERS OF THE PARENT	(625 853)	1 561 655
MINORITY INTEREST	–	–

The summarised consolidated financial information should be read in conjunction with the consolidated financial statements from which it was derived.

**PROMSVYAZBANK CONSOLIDATED STATEMENT
OF COMPREHENSIVE INCOME FOR THE YEAR ENDED ON 31 DECEMBER 2009
(EXPRESSED IN THOUSANDS OF RUSSIAN ROUBLES)**

	2009	2008
(Loss)/PROFIT AFTER TAX	(625 853)	1 561 655
OTHER COMPREHENSIVE INCOME		
REVALUATION OF PROPERTY AND EQUIPMENT, NET OF DEFERRED TAX	(820 024)	796 649
REVALUATION OF INVESTMENTS AVAILABLE FOR SALE, NET OF DEFERRED TAX	66 801	(66 641)
DISPOSAL OF PROPERTY AND EQUIPMENT, NET OF DEFERRED TAX	–	(76 885)
EFFECT OF CHANGE IN INCOME TAX RATES	–	120 048
OTHER COMPREHENSIVE (LOSS)/INCOME, NET OF TAX	(753 223)	773 171
TOTAL COMPREHENSIVE (LOSS)/INCOME	(1 379 076)	2 334 826
TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:		
SHAREHOLDERS OF THE PARENT	(1 386 139)	2 329 602
MINORITY INTEREST	7 063	5 224

The summarised consolidated financial information should be read in conjunction with the consolidated financial statements from which it was derived.

**PROMSVYAZBANK CONSOLIDATED STATEMENT
OF CASH FLOWS FOR THE YEAR ENDED ON 31 DECEMBER 2009
(EXPRESSED IN THOUSANDS OF RUSSIAN ROUBLES)**

CASH FLOWS FROM OPERATING ACTIVITIES	2009	2008
INTEREST AND FEE AND COMMISSION RECEIPTS	51 387 452	46 337 270
INTEREST AND FEE AND COMMISSION PAYMENTS	(30 680 957)	(19 337 376)
NET RECEIPTS/(PAYMENTS) FROM FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	386 230	(840 816)
NET (PAYMENTS)/RECEIPTS FROM FOREIGN EXCHANGE TRANSACTIONS	(246 298)	861 540
OTHER INCOME RECEIVED	1 008 358	800 112
GENERAL AND ADMINISTRATIVE EXPENSES PAID	(12 636 205)	(11 413 160)
	9 218 580	16 407 570
(INCREASE)/DECREASE IN OPERATING ASSETS		
OBLIGATORY RESERVES WITH CENTRAL BANKS	(2 157 588)	2 450 860
PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS	(2 688 024)	(3 162 995)
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(27 635 262)	3 922 129
AMOUNTS RECEIVABLE UNDER REVERSE REPURCHASE AGREEMENTS	(5 504 956)	(1 294 669)
LOANS TO CUSTOMERS	31 858 934	(65 571 667)
OTHER ASSETS	(147 960)	(93 537)
INCREASE/(DECREASE) IN OPERATING LIABILITIES		
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS	358 461	–
DEPOSITS AND BALANCES FROM BANKS AND OTHER FINANCIAL INSTITUTIONS	(50 920 850)	50 864 167
AMOUNTS PAYABLE UNDER REPURCHASE AGREEMENTS	(792 440)	(1 320 304)
CURRENT ACCOUNTS AND DEPOSITS FROM CUSTOMERS	57 040 884	65 395 352
PROMISSORY NOTES AND CERTIFICATES OF DEPOSIT	8 617 354	(11 134 034)
OTHER LIABILITIES	(58 136)	232 858
NET CASH FROM OPERATING ACTIVITIES BEFORE TAXES PAID	17 188 997	56 695 730
TAXES PAID	(261 880)	(2 249 633)
CASH FLOWS FROM OPERATIONS	16 927 117	54 446 097
CASH FLOWS FROM INVESTING ACTIVITIES		
DISPOSAL OF SUBSIDIARIES	–	12 976
ACQUISITION OF SUBSIDIARIES	(624 038)	3 799 193
DISPOSAL OF INVESTMENTS AVAILABLE FOR SALE	239 086	5 560
PURCHASES OF INVESTMENTS AVAILABLE FOR SALE	(31 845)	(59 804)
PURCHASES OF INVESTMENTS HELD TO MATURITY	(1 490 779)	(1 884 722)
REDEMPTION OF INVESTMENTS HELD TO MATURITY	2 951 181	–
PURCHASES OF PROPERTY AND EQUIPMENT	(4 349 348)	(7 896 050)
DISPOSALS OF PROPERTY AND EQUIPMENT	57 974	72 481
PURCHASES OF ASSETS HELD FOR SALE	(2 600 001)	–
CASH FLOWS USED IN INVESTING ACTIVITIES	(5 847 770)	(5 950 366)

CASH FLOWS FROM FINANCING ACTIVITIES	2009	2008
PROCEEDS FROM ISSUANCE OF SENIOR LOAN PARTICIPATION NOTES AND DOMESTIC BONDS	10 494 962	9 039 065
REPAYMENT OF SENIOR LOAN PARTICIPATION NOTES AND DOMESTIC BONDS	(15 179 518)	–
REPAYMENT OF OTHER BORROWED FUNDS	(15 514 855)	(13 807 539)
PROCEEDS FROM OTHER BORROWED FUNDS	3 592 575	12 977 111
REPAYMENT OF SUBORDINATED BORROWINGS	(1 217 756)	–
PROCEEDS FROM SUBORDINATED BORROWINGS	5 775 020	1 010 760
PROCEEDS FROM ISSUANCE OF SHARE CAPITAL	–	6 370 000
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES	(12 049 572)	15 589 397
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(970 225)	64 085 128
EFFECT OF CHANGES IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	3 569 663	3 549 739
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	105 723 210	38 088 343
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	108 322 648	105 723 210

The summarised consolidated financial information should be read in conjunction with the consolidated financial statements from which it was derived.

**PROMSVYAZBANK CONSOLIDATED STATEMENT
OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31 DECEMBER 2009
(EXPRESSED IN THOUSANDS OF RUSSIAN ROUBLES)**

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		
	SHARE CAPITAL	SHARE PREMIUM	ADDITIONAL PAID IN CAPITAL
BALANCE ON 1 JANUARY 2008	7 468 794	7 613 445	30 496
TOTAL COMPREHENSIVE INCOME			
PROFIT AFTER TAX	-	-	-
OTHER COMPREHENSIVE INCOME			
REVALUATION OF PROPERTY AND EQUIPMENT, NET OF DEFERRED TAX OF RUB 199 162 THOUSAND	-	-	-
DISPOSAL OF PROPERTY AND EQUIPMENT, NET OF DEFERRED TAX OF RUB 24 280 THOUSAND	-	-	-
REVALUATION OF INVESTMENTS AVAILABLE FOR SALE, NET OF DEFERRED TAX OF RUB 16 660 THOUSAND	-	-	-
EFFECT OF CHANGE IN INCOME TAX RATES	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED ON 31 DECEMBER 2008	-	-	-
SHARE ISSUE	2 593 750	5 706 250	-
ACQUISITION OF SUBSIDIARIES	-	-	1 085 596
DISPOSAL OF SUBSIDIARIES	-	-	51 423
BALANCE ON 31 DECEMBER 2008	10 062 544	13 319 695	1 167 515
TOTAL COMPREHENSIVE INCOME/(LOSS)			
LOSS AFTER TAX	-	-	-
OTHER COMPREHENSIVE INCOME/(LOSS)			
REVALUATION OF PROPERTY AND EQUIPMENT, NET OF DEFERRED TAX OF RUB 205 006 THOUSAND	-	-	-
REVALUATION OF INVESTMENTS AVAILABLE FOR SALE, NET OF DEFERRED TAX OF RUB 16 702 THOUSAND	-	-	-
TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)	-	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ENDED ON 31 DECEMBER 2009	-	-	-
ACQUISITION OF SUBSIDIARY	-	-	-
PURCHASE OF MINORITY INTEREST OF SUBSIDIARIES	-	-	-
SALE OF MINORITY INTEREST OF SUBSIDIARY	-	-	(111 413)
BALANCE ON 31 DECEMBER 2009	10 062 544	13 319 695	1 056 102

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT					
REVALUATION RESERVE FOR PROPERTY AND EQUIPMENT	REVALUATION RESERVE FOR INVESTMENTS, AVAILABLE FOR SALE	RETAINED-EARNINGS	TOTAL	MINORITY INTEREST	TOTAL EQUITY
2 357 758	–	10 211 756	27 682 249	–	27 682 249
–	–	1 561 655	1 561 655	–	1 561 655
791 425	–	–	791 425	5 224	796 649
(76 885)	–	–	(76 885)	–	(76 885)
–	(66 641)	–	(66 641)	–	(66 641)
120 048	–	–	120 048	–	120 048
834 588	(66 641)	–	767 947	5 224	773 171
834 588	(66 641)	1 561 655	2 329 602	5 224	2 334 826
–	–	–	8 300 000	–	8 300 000
–	–	–	1 085 596	520 490	1 606 086
–	–	–	51 423	–	51 423
3 192 346	(66 641)	11 773 411	39 448 870	525 714	39 974 584
–	–	(625 853)	(625 853)	–	(625 853)
(827 087)	–	–	(827 087)	7 063	(820 024)
–	66 801	–	66 801	–	66 801
(827 087)	66 801	–	(760 286)	7 063	(753 223)
(827 087)	66 801	(625 853)	(1 386 139)	7 063	(1 379 076)
–	–	(8 253)	(8 253)	–	(8 253)
–	–	–	–	(390 792)	(390 792)
(11 352)	–	8 327	(114 438)	123 356	8 918
2 353 907	160	11 147 632	37 940 040	265 341	38 205 381

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