

## MAJOR PERFORMANCE INDICATORS OF PROMSVYAZBANK



	01.01.2003	01.01.2004	01.01.2005	01.01.2006	01.01.2007
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### International Standards

Total Assets, RUR 000's	24,479,922	41,867,472	58,169,909	110,937,971	180,536,943
Net loans to customers, RUR 000's	13,484,011	24,993,933	34,368,473	64,428,745	116,471,777
Current accounts and deposits from customers, RUR 000's	10,132,321	16,743,548	24,454,755	53,245,141	85,876,792
Net income, RUR 000's	483,699	735,974	1,267,974	1,709,935	2,595,475
Total Capital, RUR 000's	3,740,611	6,226,456	8,914,034	15,171,817	25,892,532

Number of customers – legal entities	8,872	13,126	19,094	32,440	42,236
Number of branches	11	16	22	31	38
Number of outlets	14	18	43	66	92
Including outlets in Moscow and the Moscow Oblast	13	17	33	36	38
Number of representative offices	2	2	3	3	4
Number of bank cards issued	44,848	108,823	218,793	275,740	325,905
Number of ATMs	50	90	164	325	508
Total lines open by foreign banks, MIO USD	84	249	471	730	1,117



## FINANCIAL ANALYSIS OF PROMSVYAZBANK'S PERFORMANCE AND RATINGS

As of December 31, 2006, Promsvyazbank's assets amounted to RUR181 billion, representing 63% year-on-year increase. The largest portion of the bank's assets is made up of the loan portfolio, financial instruments, placements with banks and other financial institutions.

Over the year, the net loan portfolio has increased 80.8% to make RUR116.5 billion. At the same time, the Bank was working on minimization of its credit risks and enhancement of the credit quality of loans within its loan portfolio. The percentage of overdue loans declined from 0.36% to 0.33%. The growth in loans to individuals and SMEs contributed to the loan portfolio diversification across industries.

The percentage of loans to individuals went up from 3.3% to 9.9%; loans to SMEs increased from 12.7% to 16% of total gross loan portfolio. The Bank has reduced its concentration on lending to largest borrowers, and the share of the Bank's exposures to top 20 groups of borrowers in total loan portfolio went down from 37% as of the year end 2005 to 28% as of the year end 2006.

High growth rates of assets were fueled by a respective increase in Bank's capitalization. Over the year, the Promsvyazbank's total capital increased 71% and totaled to RUR25.9 billion. One of the sources of the equity growth was the new share issue in total amount RUR4.2 bln. The new issue ended up with Commerzbank Auslandsbanken Holding AG obtaining a 15.32 per cent stake in Promsvyazbank. The growth of equity was also supported by subordinated loans, whereby USD30 million were raised from Capital Group for 5.5 years, and by a \$200 million 5.5-year Eurobond issue.

The largest portion of the bank's funding is made up of balances on customer's amounts that totaled to RUR86 billion, where the largest percentage (74%) belongs to legal entities. The Bank seeks diversification of its sources of funds by increasing the share of individuals' funds and attracting long-term funds from international financial markets. Total funds raised from individuals have gone up 89.8% and amounted to RUR22 billion. In 2006,

in addition to the subordinated tranche, the Bank issued a senior \$125 million 5-year Eurobond tranche. The Bank has also obtained two syndicated loans for USD200 million and USD205 million for 18 and 12 months, respectively.

The Bank's net income for 2006 amounted to RUR2.6 billion, which 1.5 times exceeds this figure for 2005. The profit growth was fueled by the significant expansion of the corporate and retail business and resulting increase in interest and fee income.

The improved quality of assets, lower credit and funding risks, adequate capitalization, high profitability ratios, higher growth rates of all the major performance indicators as compared to the banking market average, stronger market positions, and having a foreign bank as a foreign investor were the factors that contributed to the upgrade of Promsvyazbank ratings by the leading rating agencies, namely Fitch Ratings, Moody's Investors Services, and Standard and Poor's.

### PROMSVYAZBANK RATINGS AS OF JANUARY 1, 2007

#### FITCH RATINGS LTD.

Short-term foreign currency rating: B  
Long-term issuer default rating: B+  
Outlook: Positive  
Individual: D  
Support: 5

#### MOODY'S INVESTORS SERVICE

Bank deposits: Ba3 (positive outlook)/Not Prime (NP) (stable outlook)  
Bank Financial Strength: D-  
Outlook: Stable

#### STANDARD AND POOR'S INTERNATIONAL SERVICES

Foreign currency rating: B+/Positive/B  
Local currency rating: B+/Positive/B

## PROMSVYAZBANK: 2006 HIGHLIGHTS



- The landmark event of 2006 became participation of Commerzbank AG, Germany, in the increase in the Promsvyazbank's share capital. As a result of a new issue, Commerzbank Auslandsbanken Holding AG obtained a 15.32% stake in the Promsvyazbank capital stock.
- Fitch Ratings and Standard & Poor's, international rating agencies, upgraded the Bank's rating from B to B+.
- Promsvyazbank has issued Eurobonds for a total amount of USD325 million (which includes a senior \$125 million 5-year tranche and a subordinated \$200 million 5.5-year tranche).
- The Bank has obtained two syndicated loans for USD200 million and USD205 million for 18 and 12 months, respectively.
- European Bank for Reconstruction and Development (EBRD) has doubled (up to USD80 million) Promsvyazbank's limit under the Trade Facilitation Programme. The term of transactions within the limit has been also increased to five years.
- Capital Group has granted a subordinated loan to Promsvyazbank amounting to USD30 million for 5.5 years.
- Promsvyazbank has set up a representative office in India (Delhi).
- Branches in Vologda, Ulan-Ude, Krasnodar, Perm, Samara, and Saratov have started to operate.
- For the first time in its history, Promsvyazbank was listed among the Top 300 European Banks by The Banker, an acknowledged journal for the banking sector; furthermore, the Bank went 120 points up in the list of the world's largest credit institutions and was ranked the 731st bank in the list.
- According to the Euromoney survey, Promsvyazbank is among the best banks of European emerging markets in terms of corporate governance.