

GENERAL INFORMATION ABOUT THE BANK



PSB IS ONE OF RUSSIA'S LARGEST PRIVATELY OWNED BANKS, WITH A SUCCESSFUL HISTORY OF OPERATIONS SINCE 1995. PSB IS A UNIVERSAL BANK WITH A WIDE REGIONAL BRANCH NETWORK OFFERING THE FULL RANGE OF BANKING SERVICES TO CORPORATE AND RETAIL CLIENTS.

MISSION STATEMENT

We contribute to the prosperity of Russia and wellbeing of our employees and shareholders, while offering financial solutions to our clients, investors and partners.

WE ARE HERE TO WORK FOR OUR COUNTRY.

We make sure money is used for a good cause. We know what needs to be done, as well as when and how it needs to be done, to turn money into capital. We know the value of money and are developing a capital management culture in Russia through our operations. Through our assistance with capital management, we generate new opportunities for Russia. Reliable capital allocation translates into Russian citizens' confidence about tomorrow and, consequently, in stronger Russia. We are here to work for Russia.

WE HELP PEOPLE GAIN CERTAINTY ABOUT THEIR FUTURE.

Clients choose us and entrust us with their money because of our reputation as a reliable partner. Our professionalism and technologies enable us to offer the full range of banking services. Our products and services allow people to pursue education, buy homes, build their savings, develop their own business and provide for the future of their children. We are here to work for everyone.

We assume reasonable risks and provide development and growth opportunities to businesses of any scale.

WE TAKE PRIDE IN OUR WORK AND OUR BANK.

Our Bank is special. We do not merely serve our clients. We help them to identify the best financial solutions enabling them to pursue their plans. We appreciate our employees' ability to source and implement solutions, which are optimal to our clients and beneficial to the Bank. Such approach enables us to create new opportunities for our clients, partners, shareholders, investors, ourselves, our colleagues and, therefore, for the country we live and work in.

PSB FUTURE

Our Bank is an innovative leader. Applying advanced technologies and superior management practices, we continue to relentlessly and consistently solidify our positions both in the domestic and international financial markets.

PSB VALUES

We grew up in different families and both our life and professional experiences differ. We are many and we are different. Thousands of people cannot breathe, think and act in a uniform way. However, we are all united by our core values.

Reputation. We value our reputation earned over years of hard work. Our clients know that PSB stands for reliability and good faith. We are appreciative of this and we understand that our reputation is our capital. We are convinced that money management must be ethical, and money itself must serve creative purposes.

Integrity. In our operations, we make all efforts to show respect for others and ourselves. We offer our clients, partners and investors transparent terms of cooperation. We do not want and will not lie to each other, as our cooperation is based on trust. In complex situations and in the face of difficult choices we find fair solutions reflecting interests of all parties concerned.

Strong client relations. We develop long-lasting relations with our clients. We will make all efforts to turn our new customers into long-term partners who will recommend us to their families, friends and partners. We highly value the trust of our clients and do everything in our power to justify it.

Team spirit. Our team is a living body. Our relations are based on mutual respect, assistance and support. Our hard-working employees are conscientious and knowledgeable. We



enjoy working together on solving complex issues and achieving outstanding results.

Patriotism. Our work contributes to the growth of Russia's material and spiritual wealth. We see ourselves as a part of a large country and support its development. We take care of the place we live in – our country, our city and our home. We take care of our work place – our Bank.

Family. We are convinced that the family underpins both the society and the country. Respect for our families, care for our loved ones, children and parents alike, is the responsibility of each one of us. Our work contributes to the well-being of our families, while our soulfulness supports and inspires them.

PSB STRATEGIC OBJECTIVE

PSB strategic objective is to become Russia's largest privately owned bank by 2015, with the highest valuation (Price/Book Value) among leading privately owned universal banks.

PLEASE ACCEPT A BOW FROM [...]. YOU HAVE ORDERED TO SEIZE WHEAT FROM [...], HAVING DECLARED THEM DEBTORS. I HAVE ALREADY SEIZED ONE LOT OF THREE KOROBJI (APPROX. 336 KG IN TOTAL) FROM IVANKO. ELDER OLEXANDOVA BOWS TO YOU IN THE HOPE THAT YOU, MASTER, ACCEPT REDEMPTION AND AGREE [ON IT] WITH ME.

BIRCHBARK LETTER

**Novgorod
{1340–1360}**

Contents:

Letter from the Master, possibly, to Ontsifor Lukinich (on the terms of transfer of peasants to Oleksandrov Pogost).

PSB OVERVIEW

OWNERSHIP STRUCTURE

As a result of the additional share issue registered by the Bank of Russia in February 2010, PSB gained a new minority shareholder, the European Bank for Reconstruction and Development (EBRD), with a 11.75% stake. Commerzbank Auslandsbanken Holding AG retained its existing 15.32% stake, while the share of PSB majority shareholder Promsvyaz Capital B.V. has decreased from 84.68% to 72.93%.

The relevant agreements between EBRD, PSB and its shareholders were signed in November 2009. The EBRD investment in PSB was approximately RUB 4.6 billion, the biggest EBRD investment in a Russian bank to date.

PSB SHAREHOLDERS

Shareholders (Beneficiary Owners):

Dmitry Ananiev

- ◆ Member of the National Banking Council since September 2008;
- ◆ Chairman of the Federation Council Committee on Financial Markets and Currency Circulation since 2007;
- ◆ Member of the Federal Council, the Upper Chamber of the Russian Parliament, representing Yamalo-Nenetsk Autonomous Region, since 2006;
- ◆ Chairman of PSB Board of Directors from 2001 to September 2006.

Alexey Ananiev

- ◆ Chairman of PSB Board of Directors since September 2006;
- ◆ PSB Board member since 2001;
- ◆ Chairman of TechnoServ Advisory Council since 1996;
- ◆ Head of TechnoServ Group of Companies since 1992.

Commerzbank Auslandsbanken Holding AG (Germany), a wholly owned subsidiary of Commerzbank AG and PSB shareholder since 2006. The company owns 159,985,846,000 PSB shares representing 15.3199% of the total amount of voting shares. Commerzbank is the second largest German bank and one of the leading European banks.

The European Bank for Reconstruction and Development is an international financial institution supporting projects across 30 countries, from Central Europe to Central Asia. EBRD invests mainly in privately owned enterprises and provides project financing for both startup and existing banks and companies. EBRD also cooperates with publicly owned companies to support privatization and restructuring of state-owned entities, as well as improvement of municipal service quality. EBRD shareholders are 61 states, including Russia, and 2 intergovernmental organizations. EBRD owns 122,660,000,000 PSB shares representing 11.7457% of the total amount of voting shares.



CONSOLIDATED GROUP MEMBERS

PSB Group member companies consolidate their reporting in accordance with IFRS requirements (as at 31 December 2009).

COMPANY NAME	COUNTRY OF INCORPORATION	MAIN ACTIVITY	% CONSOLIDATED
OOO "UK PROMSVYAZ"	RUSSIAN FEDERATION	FINANCIAL ACTIVITY	100 %
OOO "OPEN LEASING COMPANY"	RUSSIAN FEDERATION	LEASING	100 %
OOO "PROMSVYAZFACTORING"	RUSSIAN FEDERATION	FINANCIAL ACTIVITY	100 %
PROMSVYAZ FINANCE PLC	IRELAND	FINANCIAL ACTIVITY	100 %
PSB FINANCE S.A.	LUXEMBURG	FINANCIAL ACTIVITY	100 %
OAO "VOLGOPROMBANK"	RUSSIAN FEDERATION	BANKING	100 %
OAO "YARSOTSBANK"	RUSSIAN FEDERATION	BANKING	61.9 %
OAO "NIZHNY NOVGOROD BANK"	RUSSIAN FEDERATION	BANKING	100 %

INTERNATIONAL RATINGS (MAY 2010)

FITCH RATINGS:

LONG-TERM FX ISSUER DEFAULT RATING (IDR)	B+
SHORT-TERM FX IDR	B
INDIVIDUAL RATING	D
SUPPORT RATING	4
OUTLOOK	POSITIVE

MOODY'S INVESTORS SERVICE

LONG-TERM FX AND RUB DEPOSITS RATING	BA2
SHORT-TERM BANK DEPOSIT RATING	NOT PRIME
FINANCIAL STRENGTH RATING	D
OUTLOOK	NEGATIVE

STANDARD & POOR'S*

LONG- AND SHORT-TERM COUNTERPARTY CREDIT RATING AND CD RATING	B
OUTLOOK	POSITIVE

* The rating has been withdrawn at PSB's request on 17 May 2010.

RUSSIAN RATING AGENCY'S CREDIT RATINGS

NATIONAL RATING AGENCY

INDIVIDUAL CREDIT RATING	AA+
--------------------------	-----

DEVELOPMENT HISTORY

1995

PSB established.

1996

First two regional branches opened.

FX operations license obtained.

1997

IFRS reporting kick-off.

1998

PSB - #63 Russian bank by assets.

1999

PSB joins VISA and MasterCard payment systems
PSB IFRS financials are audited by independent auditors KPMG.

2000

Fitch Ratings assigned to PSB (entry level: CCC+).

PSB - #44 Russian bank by assets.

2001

RUB 150 million debut rouble bond issue.

2002

PSB opens a branch in Cyprus and a rep office in Kiev.

PSB - #21 Russian bank by assets (Interfax-100 Ranking).

Internet banking system PSB On-line launched.

2003

US\$ 30 million debut syndicated loan from international banks.

PSB joins Factors Chain International (FCI), the international factoring association.

2004

PSB opens a rep office in Beijing.

US\$ 100 million debut international Eurobond issue.

First-time credit ratings assigned by Moody's (B1) and Standard & Poor's (B-).

According to The Banker, PSB is a world's Top 1,000 bank.

2005

According to Euromoney, PSB is one of the best CEE companies.

PSB has 29 regional branches.

2006

Through its subsidiary Commerzbank Auslandsbanken Holding AG, the German Commerzbank AG acquires a 15.32% stake in PSB.

A rep office opens in New Delhi, India.

2007

PSB controlling shareholder Promsvyaz Capital B.V. acquires 95.07% stake in Volgoprombank.

According to The Banker, PSB – world's #441 bank by equity.

2008

PSB Banking Group established; Volgoprombank integrated.

Agreements on integration of Yarsotsbank and Nizhny Novgorod Bank into PSB Banking Group.

PSB successfully tackles liquidity crisis in the Russian interbank market.

At a time of financial crisis, PSB reviews its credit product offering and approaches branch network development, and implements administrative cost-cutting measures.

PSB - #11 Russian bank by assets (Interfax-100 Ranking).

2009

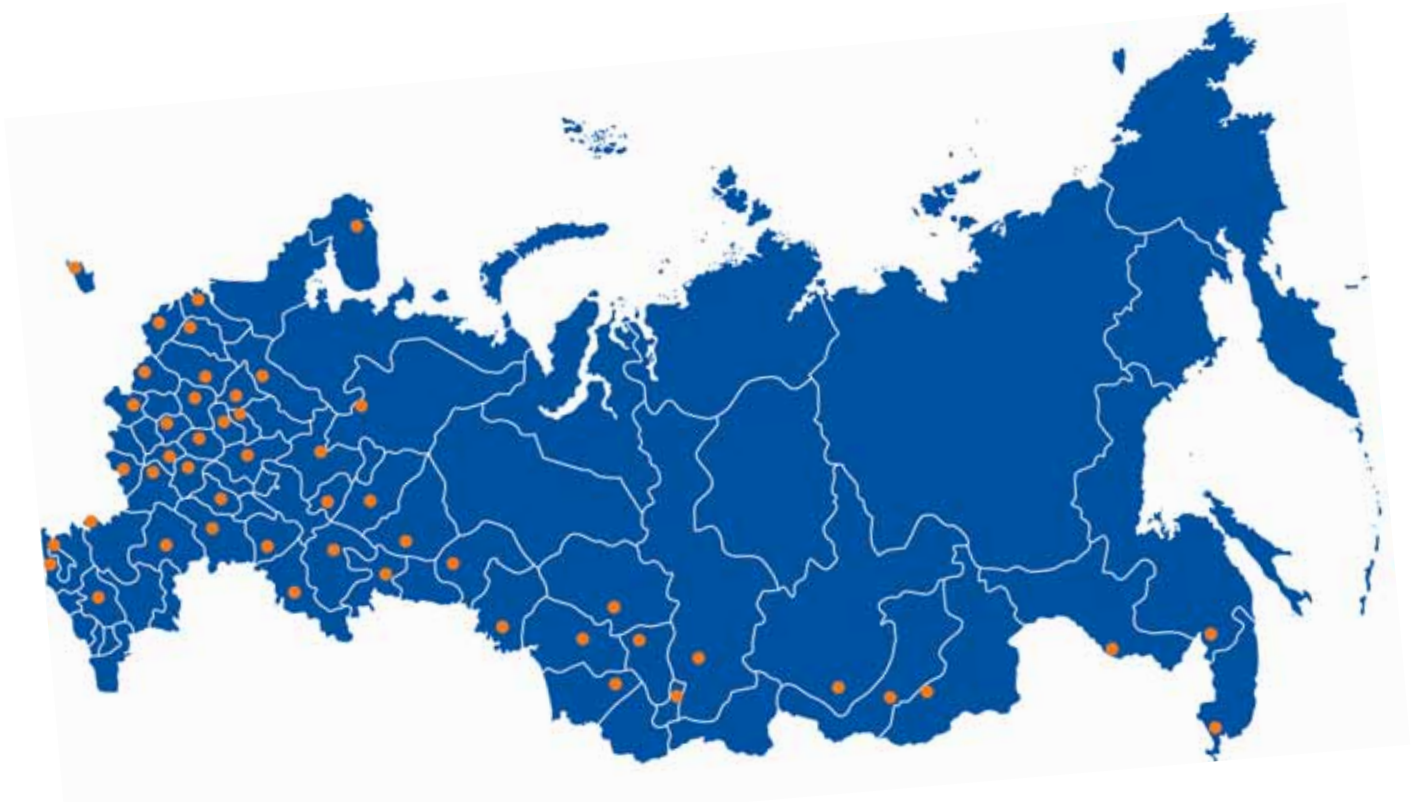
PSB pursues lending activity despite deep economic crisis, thereby expanding its corporate and SME client base.

PSB – the only privately owned bank out of Russia to have successfully placed its subordinated Eurobond amid crisis in 2009.

PSB enters shareholder agreements, pursuant to which EBRD becomes a new shareholder with a 11.7457% stake. Transaction closed in 2010.

PSB – a Top 10 Russian bank by assets (Interfax-100 Ranking).

PSB BRANCH NETWORK



PSB RUSSIAN BRANCH NETWORK

ABAKAN	KIROV	SAINT PETERSBURG
BARNAUL	KRASNODAR	SARATOV
BELGOROD	KRASNOYARSK	SMOLENSK
BLAGOVESHCHENSK	LIPETSK	SOCHI*
BRYANSK	MOSCOW*	STAVROPOL
VELIKI NOVGOROD	MOSCOW REGION*	SYKTYVKAR
VLADIVOSTOK	MURMANSK	TAMBOV
VLADIMIR	NIZHNY NOVGOROD	TVER
VOLGOGRAD	NOVOSIBIRSK	TOMSK
VOLOGDA	OMSK	TULA
VORONEZH	ORENBURG	TYUMEN
YEKATERINBURG	PENZA	ULAN-UDE
IVANOVO	PERM	UFA
IZHEVSK	PSKOV	KHABAROVSK
IRKUTSK	ROSTOV-ON-DON	CHELYABINSK
KALININGRAD	RYAZAN	CHITA
KEMEROVO	SAMARA	YAROSLAVL

* PSB branches in all regional centers except Moscow and Moscow Region; a representative office in Sochi

PSB MOSCOW AND MOSCOW REGION NETWORK

As on 31 December 2009, PSB Moscow and Moscow Region network consisted of 44 sub-branches (including 2 in Moscow) and 14 payment offices.

PSB INTERNATIONAL NETWORK

- ◆ Limassol, Cyprus (branch and retail office)
- ◆ New Delhi, India (rep office)
- ◆ Kiev, Ukraine (rep office)
- ◆ Beijing, China (rep office)

DISTRIBUTION NETWORK DEVELOPMENT

Distribution network development is one of the key focus areas in PSB strategy. Having opened its first branches in 1996, PSB subsequently developed a broad nation-wide distribution network. According to RBC Rating, as on July 1, 2009, PSB was a Top 10 Russian bank in terms of distribution network coverage. Broad distribution network is one of our key competitive advantages enabling us to accomplish our strategic objectives, including private banking and SME segments development.

Today, PSB branches operate in all key economic regions of Russia, and a relatively dense branch network covers Moscow and Moscow Region. In many regions of PSB presence, its branches have considerable share of the financial services market and are among TOP 5 regional banks. Virtually in all regions of its operations, PSB has a branch, one or more banking points of sale and additional offices offering clients a wide range of banking services in line with the existing licenses and business profiles.

The financial crisis, which began at the end of 2008, affected our plans and oriented us towards distribution network optimization through restructuring of the existing branches and phase-out of inefficient points of sale. At the same time, in the reporting period, PSB opened a new branch in Murmansk, as well as 8 additional offices and 2 cash desks outside of the cash-operating unit. As at the end of 2009, PSB national distribution network consisted of 234 points of sale in more than 90 regions across Russia. PSB Banking Group operates over 1,200 ATMs. We intend to pursue optimization of our distribution network throughout 2010.

Amid the deep economic crisis and the associated significant increase in credit risk levels, PSB management reoriented the distribution network from lending towards priority distribution of deposit and commission-based products. As a result, the regional network 2009 loan portfolio contracted by RUB 19 billion to RUB 140 billion as on 31 December 2009, while funding volume was RUB 70 billion, up from RUB 41 billion. More than a 70% increase in funding through client current and deposit accounts was mainly ensured due to development of new competitive products, as opposed to price competition.

PSB NATIONAL DISTRIBUTION NETWORK

BRANCHES	48
SUB-BRANCHES	153
PAYMENT OFFICES	32
REP OFFICES	1
TOTAL	234

PSB ABROAD

PSB CYPRUS

Established in 2002, the Cyprus branch operates under the Cypriot law and is licensed both by the Cypriot and Russian Central Banks. The Cyprus unit is PSB's biggest branch and at the same time a full-fledged European bank offering its clients a wide range of

banking services and products: cash and settlement services, foreign exchange operations, deposits and trade financing. In 2009, the branch corporate and retail client bases expanded by 10% (to 2,127) and 80% (to 566), respectively. The branch assets in 2009 increased by 40% to US\$ 1.5 billion, which is in line with the pre-crisis level. Due to its competitive pricing policy, the branch favorably compares to other Cypriot and EU banks. The branch's powerful settlement center ensures precise and rapid processing of settlements, including in Russian roubles. Retail accounts in any currency are covered by the Cypriot deposit insurance system.

PSB BANKING GROUP

In June 2008, PSB Annual General Shareholders' Meeting approved establishment of a banking group that would include Volgoprombank (Volgograd), one of Russia's major regional banks. Earlier, in the fall of 2007, PSB principal shareholder Promsvyaz Capital B.V. had completed acquisition of a 95.07% stake in Volgoprombank.

At the end of 2008 and upon approval by the Bank of Russia, PSB acquired a 51.3% stake in Yarsotsbank (Yaroslavl) and an 85.1% stake in Nizhny Novgorod Bank. The two banks' liquidity position was restored in a matter of months with the assistance of PSB. In the beginning of 2009, Extraordinary General Shareholders' Meetings of Yarsotsbank and Nizhny Novgorod Bank respectively approved the banks' integration into PSB Banking Group.

In 2009, the Group's three regional banks implemented a set of integration measures. Product offering was extended with PSB best-selling products. The banks migrated onto PSB IT platforms, optimized their structure, introduced management quality functions and brought graphic representation of their corporate identity in line with that of PSB.

VOLGOPROMBANK

Volgoprombank was established in 1990. Prior to its transformation into a commercial bank, Volgoprombank had been a state-owned bank formerly known as Volgograd Regional Directorate of the USSR's Promstroibank.

Volgoprombank is a major commercial bank in Volgograd Region, with RUB 5 billion in assets and RUB 1.3 billion in equity as at the end of 2009. Volgoprombank regional network includes 13 additional offices in the city of Volgograd and in district centers. The bank operates 32 ATMs.

As at 31 December 2009, Volgoprombank services more than 10,000 corporate and 22,000 retail clients. The bank's funding base consists of RUB 1.8 billion in retail deposits and RUB 1.6 billion in corporate and institutional funds. The bank issued more than 17,000 international payment system cards. In 2009, with the support of the regional government, Volgoprombank continued to develop close cooperation with the Regional Guarantee Fund and signed the third SME lending agreement. In total, the bank issued 228 SME loans in 2009.

YARSOTSBANK

Yarsotsbank was established in 1990. Its predecessor, a commercial bank, had been founded on the basis of the state-owned Zhilsotsbank.

At the end of 2009, PSB participated in privatization of two stakes in Yarsotsbank owned by the City of Yaroslavl and the Yaroslavl Region. As a result of privatization, PSB increased its share in Yarsotsbank capital to 61.91 %.

Yarsotsbank is the largest bank in the Yaroslavl Region. As at the end of 2009, Yarsotsbank assets and equity were RUB 6.2 billion and RUB 595.6 million, respectively. The bank services more than 220 thousand retail and over 10 thousand corporate clients, including the region's industry leaders, Yaroslavl Mayor's Office and universities. Yarsotsbank distribution network consists of 10 offices in Yaroslavl and the Yaroslavl Region. The bank operates 126 ATMs and has over 230 000 plastic cards in circulation (Golden Crown Russian payment system). Yarsotsbank is the official partner to Yaroslavl Mayor's Office in implementation of a plastic card promotion program.

Integration into PSB Banking Group provided Yarsotsbank with access to experience of one of the biggest nationwide banks and enabled it to offer its clients a first-rank product range. Yarsotsbank transitioned towards PSB IT platform, optimized its structure, reviewed employee incentivization system and introduced a client service management function.

NIZHNY NOVGOROD BANK

The bank was established in 1990 with the participation of major Nizhny Novgorod enterprises. Nizhny Novgorod bank is one of the biggest banks in the Nizhny Novgorod Region, oriented towards

the real economy. Nizhny Novgorod Bank ranks 5th among the region's banks by assets (RUB 4.4 billion in 2009). The bank's equity as at 31 December 2009 was RUB 395.3 million. Nizhny Novgorod Bank distribution network consists of 10 additional offices in Nizhny Novgorod and its region. The bank issued approximately 12,500 international payment cards and services approximately 15 thousand retail clients and over 5 thousand corporate clients.

In September 2009, the bank migrated towards PSB IT platform, which provided its clients with access to hi-tech banking products with strong track record at PSB: factoring, international financing, SME programs and a number of private equity services. In two months of operation on the new platform, more than 1,200 retail clients connected to PSB-Retail, the online banking solution. Approximately 1,000 Yield Cards were sold in the same period. To ensure better quality of retail client service, terminal networks of Nizhny Novgorod Bank and PSB Nizhny Novgorod branch were merged. The consolidated network now operates 92 terminals (51 ATMs and 41 cash disbursement points) in the region.

2010 PLANS

In 2010, we intend to pursue extension of product offerings at the three regional banks with best-selling PSB products, as well as improvement of their business processes.

Upon completion of the integration process and the necessary corporate procedures in 2010, we intend to consolidate two out of three PSB Banking Group regional banks, Volgoprombank and Nizhny Novgorod Bank, into PSB.