Promsvyazbank

Investor Presentation

Based on 9M 2011 IFRS results

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Promsvyazbank Key Credit Strengths

Promsvyazbank

#2 Russian private bank

- #2 Privately owned Russian bank by assets[1] (RUB 519 bn under RAS as at 1 October 2011)
- Universal bank with four pillar business model – corporate, retail, SME and investment banking

Countrywide distribution network

- #6 privately owned distribution network in Russia (#16 overall)[2] with over 260 points of sale as at 1 November 2011
- Strong regional diversification of the loan portfolio

Corporate segment - core of business

- Focus on high-margin corporate business
- Diversified corporate loan portfolio by sector
- Access to corporate funding, stable client base

Strong financial metrics

- Net profit of RUB 2.1 bn for 9M 2011, continuing improvement of NPL ratio since Q1 2010, strong operating income generation
- Sufficient capital with Tier 1 ratio at 9.2% and total CAR at 13.3% as at 1 October 2011
- Strong liquidity position and balanced schedule of all public debt repayments

International shareholders

- Transparent ownership structure, with Dmitry and Alexey Ananiev as majority shareholders
- Commerzbank and EBRD hold over 27% of PSB's shares

Experienced management team

- Professional management team, with a strong commitment to PSB
- Strong corporate governance model enhanced through existence of independent directors

Note 1: Interfax 01.10.2011. Nomos bank and BKM are accounted separately
Note 2: RBC Rating 01.10.2011

PSB Vis-à-Vis Peers (1H 2011)

	Promsvyazbank	NOMOS BANK	Alfa-Bank
Core competence	Corp/Retail/SME banking 81%/9%/10% of loan book	Corp/Retail/SME banking 82%/12%/6% of loan book	Corporate/Retail/SME banking 85%/13%/2% of loan book
Total assets	RUB 485 bn (US$17.3bn)	RUB 572 bn (US$20.4bn)	RUB 884 bn (US$31.5bn)
Long-term deposit ratings	Moody's: Ba2 S&P: NR Fitch: BB-	Moody's: Ba3 S&P: NR Fitch: BB	Moody's: Ba1 S&P: BB- Fitch: BB+
TCAR	13.9%	16.3%	13.1%
Largest industry concentration	12%	15%	14%
Top 10 largest borrowers / Loans	17.5%	17.5%	27.6%
Foreign Independent Directors on the Board	2 out of 9 Directors	2 out of 11 Directors	None
Institutional Shareholders	Commerzbank -15.32% EBRD – 11.75%	None	None

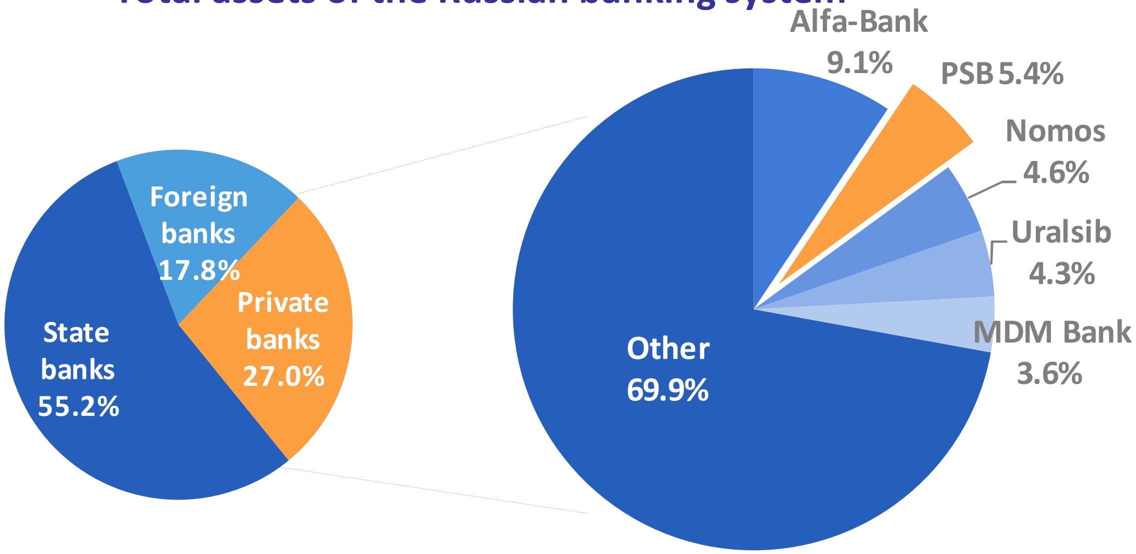
Source: PSB, Nomos Bank and Alfa Bank 1H 2011 IFRS financial statements (latest financial statements available)

Background information

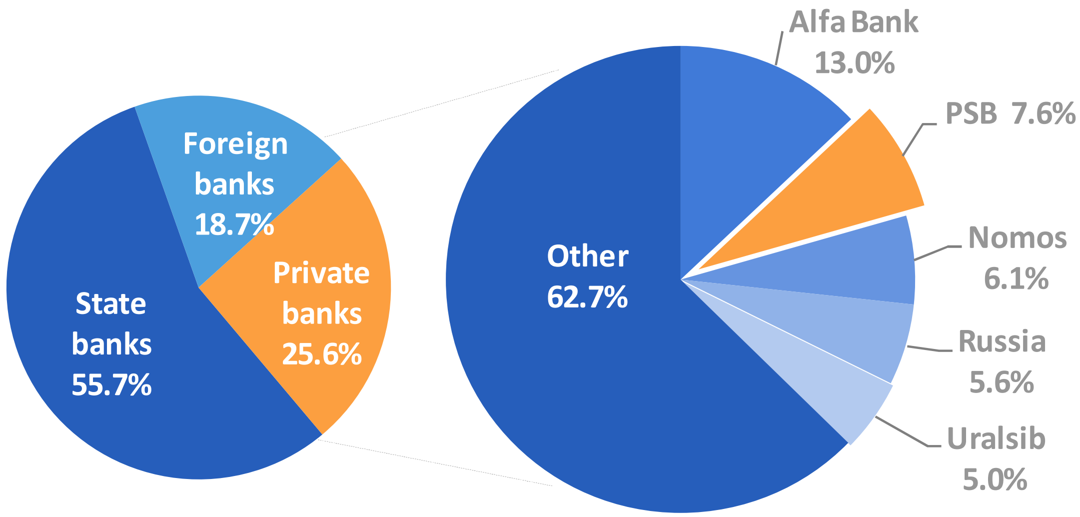
Market & Competitive Landscape

Promsvyazbank

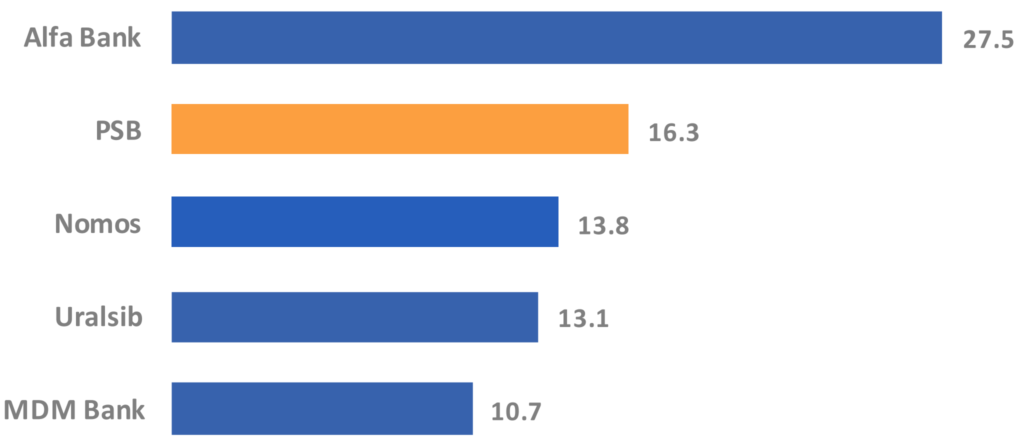
Total assets of the Russian banking system*



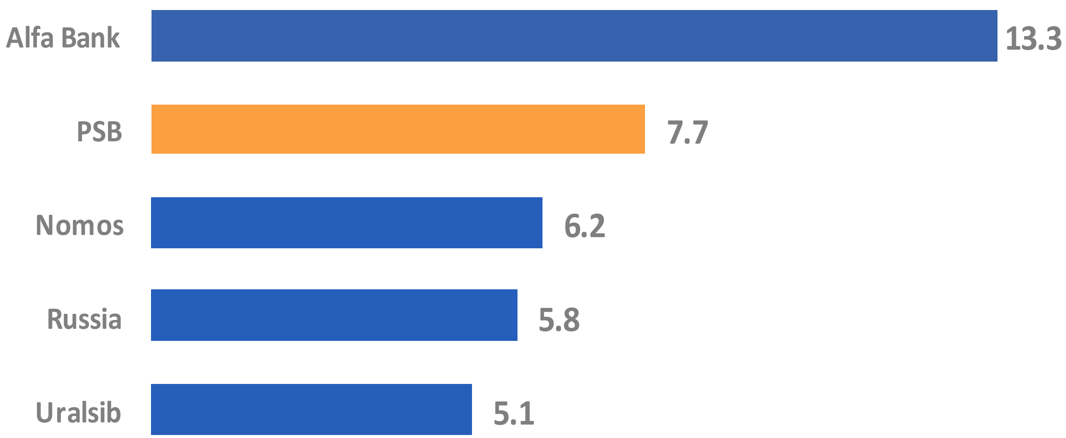
Corporate deposits of the Russian banking system**



Top Russian private banks by total assets*, US$bn



Top Russian private banks by corporate deposits**, US$bn



**Source: Interfax as at 01.10.2011 (Nomos Bank and BKS are accounted separately), CBR*

*** Source: RBC Rating, 01.10.2011*

Diversified business model

Promsvyazbank

	Corporate Banking	Retail Banking	SME Banking	Investment Banking
Target customer	• Mid-sized corporates (annual sales up to US$1bn)	• Upper mass segment	• Small business – annual sales up to US$12m • Medium business < US$85m [(4)]	• Tier II & III corporate and FI issuers
Key Products	• ST/LT financing, Corp. Treasury, Factoring, Deposits & Settlements	• Credit Cards, Cash loans, Mortgages, Deposits, Private banking	• ST/LT financing, Deposits & Settlements	• Debt issues arrangement, reverse REPOs, bridge financing
Volume of Business	• 82% of loan book, • over 26,000 clients	• 9% of loan book • About 1 million of retail clients	• 9% of loan portfolio • over 77,000 of SME clients	• Over US$ 800 mln of local debt issues arranged and underwritten [(6)]
Rankings	• No. 1 in factoring (21% market share) [(1)] • 10% market share in trade finance [(2)] • No. 9 in corporate lending [(3)]	• No. 12 by retail deposits [(3)] • No. 5 private bank by retail deposits [(3)]	• No. 4 in Russia by loans issued to SME [(5)]	• No. 8 arranger of RUB bonds [(6)] • One of the leading REPO dealers in sovereign RUB bonds on MICEX

Notes:

(1) Association of Factoring Companies 01.10.2011

(2) According to SWIFT for 2010

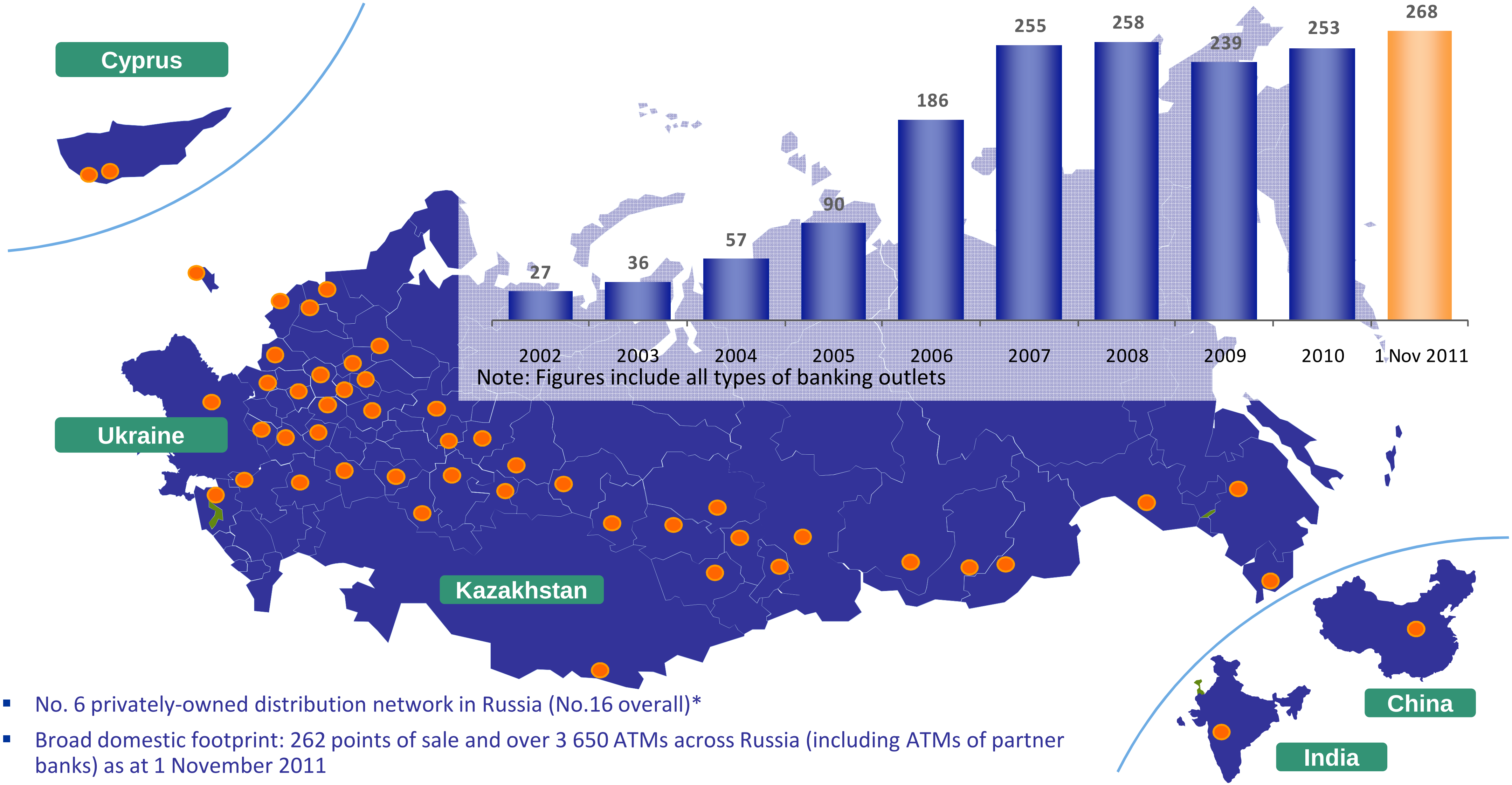
(3) RBC.Rating 01.10.2011

(4) New classification being started in July 2011

(5) RBC.Rating 01.07.2011

(6) Cbonds.info rankings 01.10.2011

Countrywide Distribution Network



- No. 6 privately-owned distribution network in Russia (No.16 overall)*
- Broad domestic footprint: 262 points of sale and over 3 650 ATMs across Russia (including ATMs of partner banks) as at 1 November 2011
- Overseas network: a branch and a retail sub-branch in Cyprus; representative offices in China, India, Ukraine and Kazakhstan

** Source: RBC.Rating as at 01.10.2011*

Transparent Ownership Structure & Corporate Governance

Promsvyazbank

PSB ownership structure

Mr. Dmitry Ananiev
50%

Mr. Alexey Ananiev
50%

Peters International Investment N.V.
100%

Promsvyaz Capital B.V.
72.93%

Promsvyazbank

15.32%
Commerzbank Auslandsbanken Holding AG

100%
COMMERZBANK

11.75%
European Bank for Reconstruction and Development

Corporate Structure

General Shareholders' Meeting

Board of Directors

A. Ananiev
Chairman

A. Konstandyan
President

D. Ermolov
Non-Executive Director

V. Zabelin
Non-Executive Director

Y. Baev
Non-Executive Director

Dr. Andre Carls
CAH AG Representative

I. Salonen
EBRD Representative

P. Casse
Independent Director

T. Basunia
Independent Director

INDEPENDENT

Audit committee

Remuneration committee

Strategic committee

President

Management Board

Business overview

Key events January - December 2011

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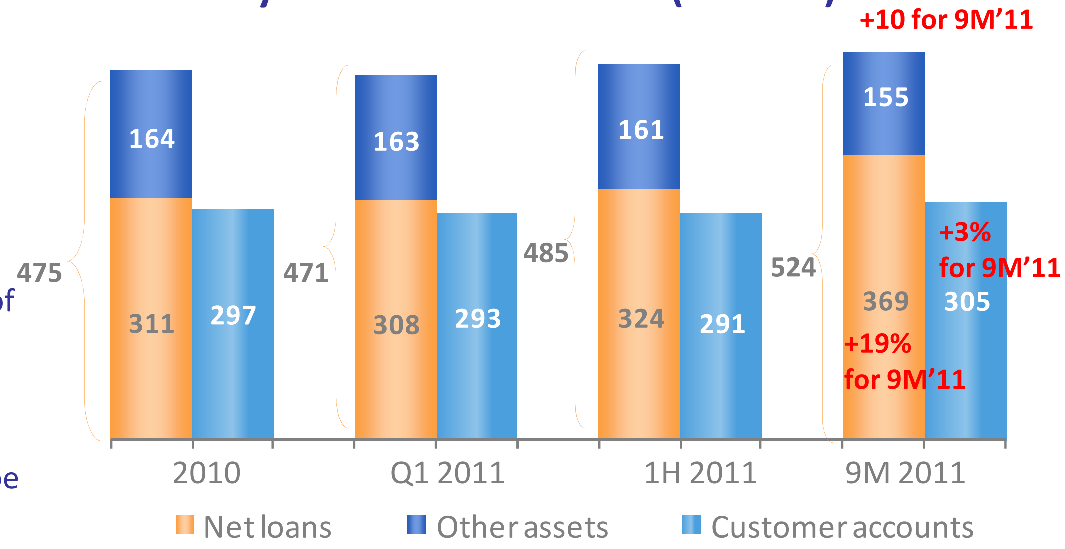
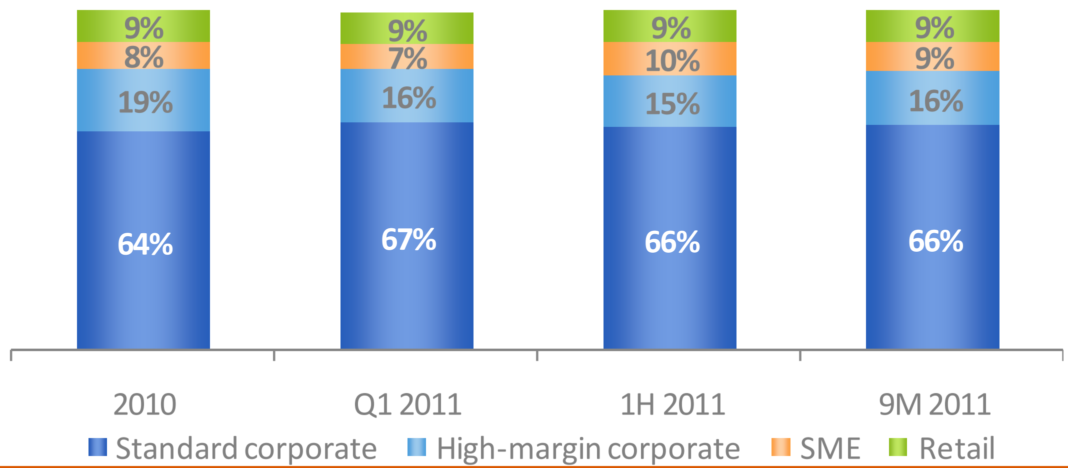
- 9M 2011 **net profit** amounted to RUB 2.1 bn due to the improved net interest margin in Q3 2011
- Significant **lending growth**: +12% in Q3 2011 (+16% for 9M 2011)
- In April 2011 the bank placed a US$500 mn debut 144A/Reg **Senior Eurobond** issue maturing in 2014 with coupon of 6.2%
- In July PSB completed the purchase of Trust Bank's RUB 5.6 bn SME loan portfolio
- In October 2011 PSB received a USD 350 mln **syndicated loan** from a group of western banks at LIBOR+1.9% maturing in October 2012
- In December 2011 PSB plans to increase the **share capital** by RUB 4 bn. Majority shareholders and EBRD will participate in this issue. A EUR 65 mln subordinated loan received from majority shareholders in August 2011 will be converted into new share capital
- In December 2011 PSB plans to receive a RUB 3.5 bn **subordinated loan** from EBRD maturing in 2018

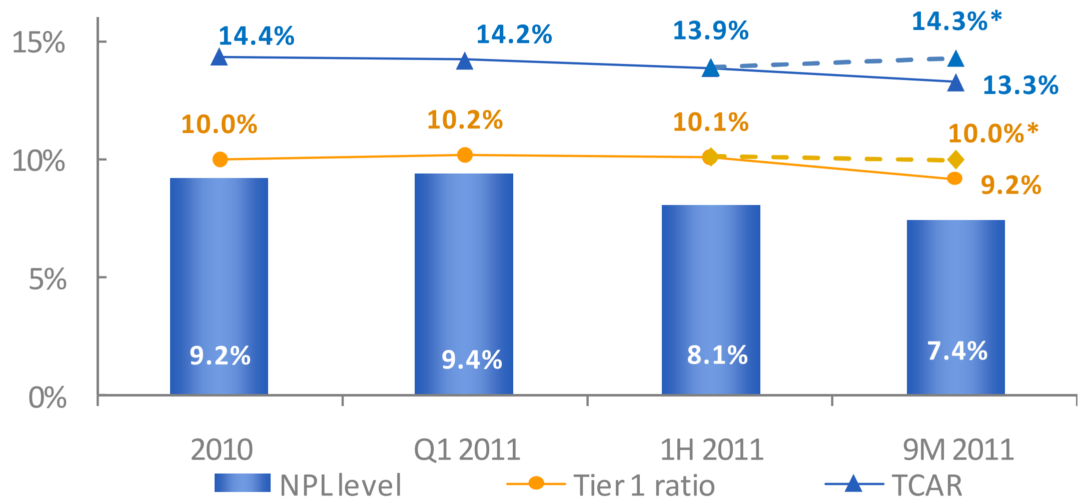
Key balance sheet items (RUB bn)



Loan portfolio structure



Capital adequacy and NPL level



**If new capital issue and new subordinated loan from EBRD were completed at the end of 9M 2011*

Corporate Banking

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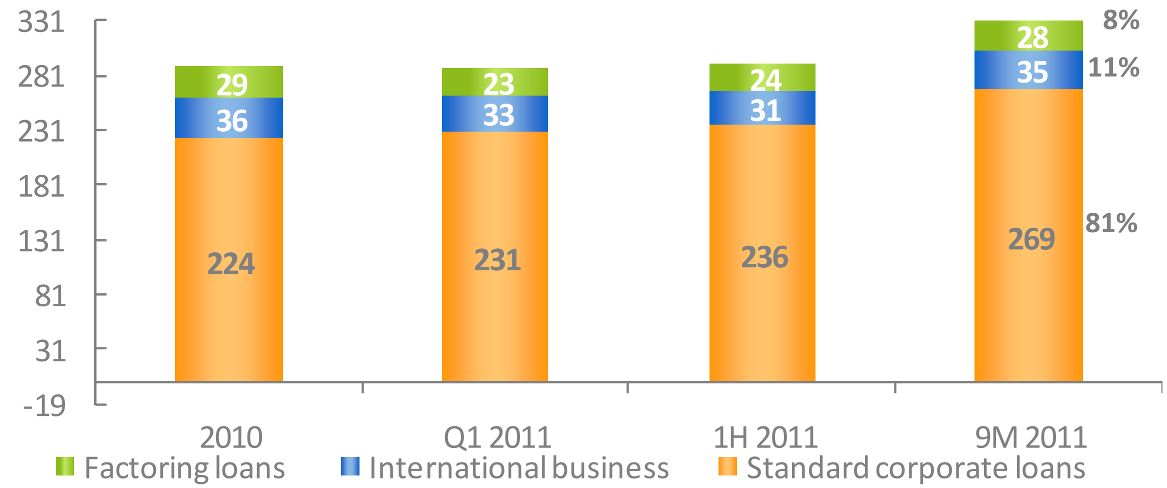
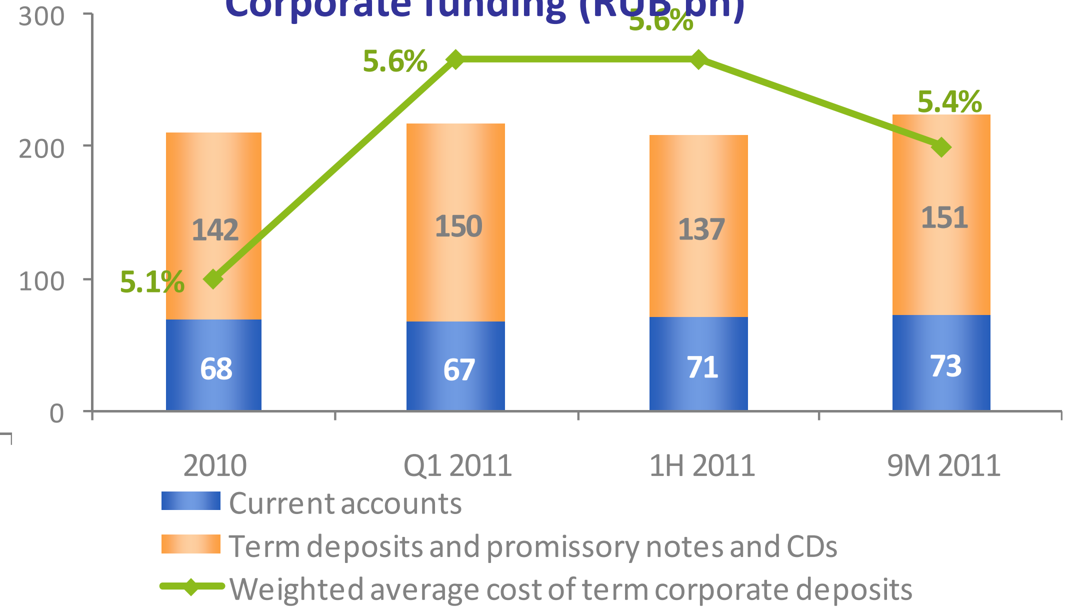
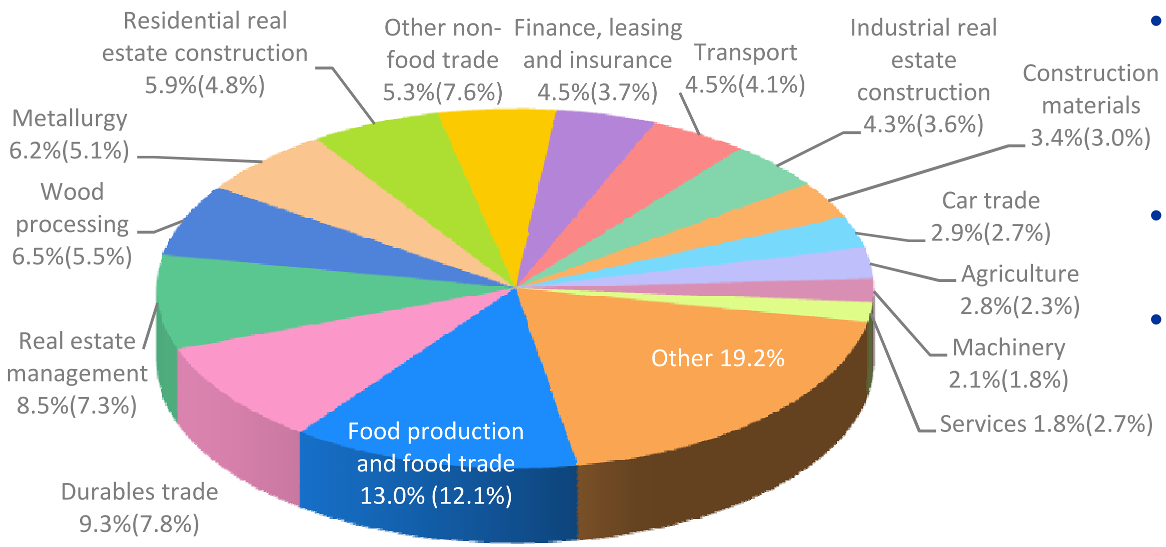
Corporate loans (RUB bn)



Corporate funding (RUB bn)



Diversification by industry* (9M 2011)



- The corporate loan portfolio showed significant growth in Q3 2011: +14% (+15% for 9M 2011). Without the Russian rouble depreciation effect, the corporate lending still demonstrated positive results: +12% for 9M 2011
- PSB confirmed its leading positions in the factoring market in 9M 2011, with a market share of 21%
- Pressure on NIM became weaker in Q3 2011 due to the stabilization of corporate lending rates together with a decrease in corporate deposits' interest rates. NIM in corporate banking increased from 3.9% in Q2 2011 to 4.4% in Q3 2011 (4.2% for 9M 2011)

*Share of industries to corporate loan portfolio (in brackets the share of each industry in total loan book)

SME Banking

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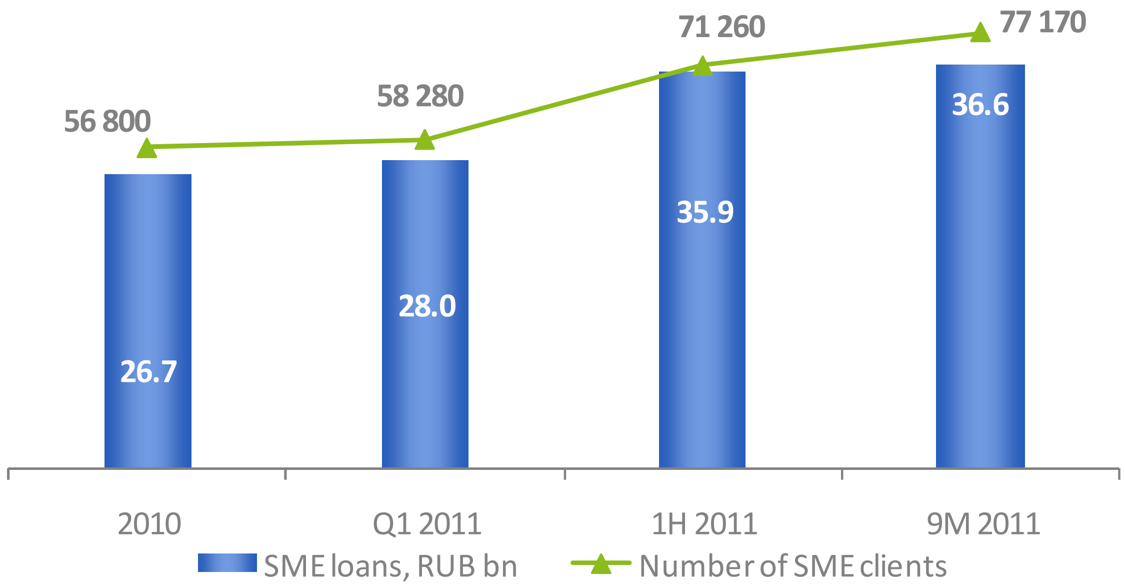
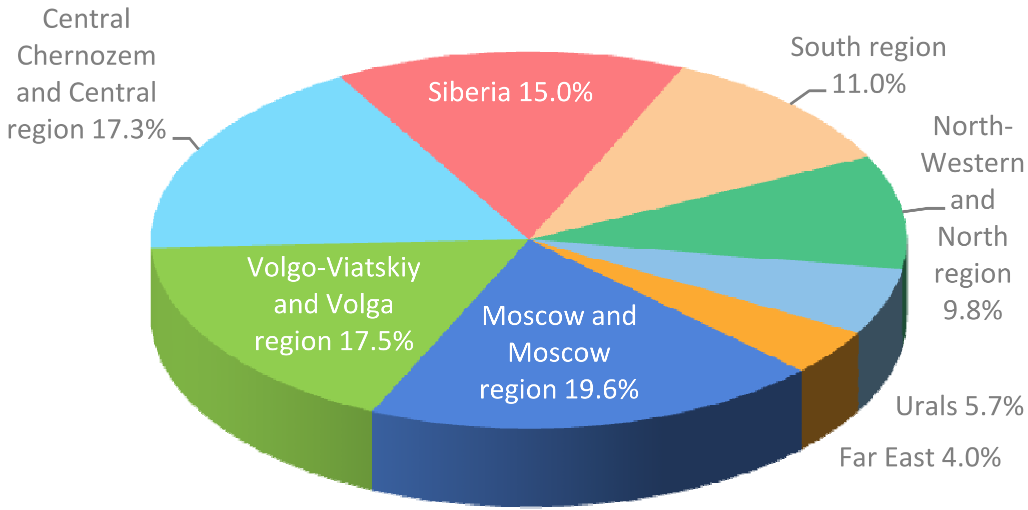
SME loans (RUB bn)



Diversification by geographic region (9M 2011)



- A 37% increase in the SME loan book vs. YE 2010 (or 21% without the effect of the deal on the purchase of Trust Bank's SME loan portfolio)
- The SME loan portfolio growth rate exceeded the market average (21% vs. 15%)
- PSB completed the deal on purchasing Trust Bank's RUB 5.6 bn SME loan portfolio in July 2011 (over RUB 4.6 was acquired in 1H 2011). In addition PSB acquired another RUB 198 mln SME loan portfolio from Trust Bank in November 2011
- The volume of new SME loans issued during 9M 2011 was RUB 22.3 bn (+25% y-o-y)
- SME loans guaranteed by the Regional Funds for SME Support exceeded RUB 7 bn

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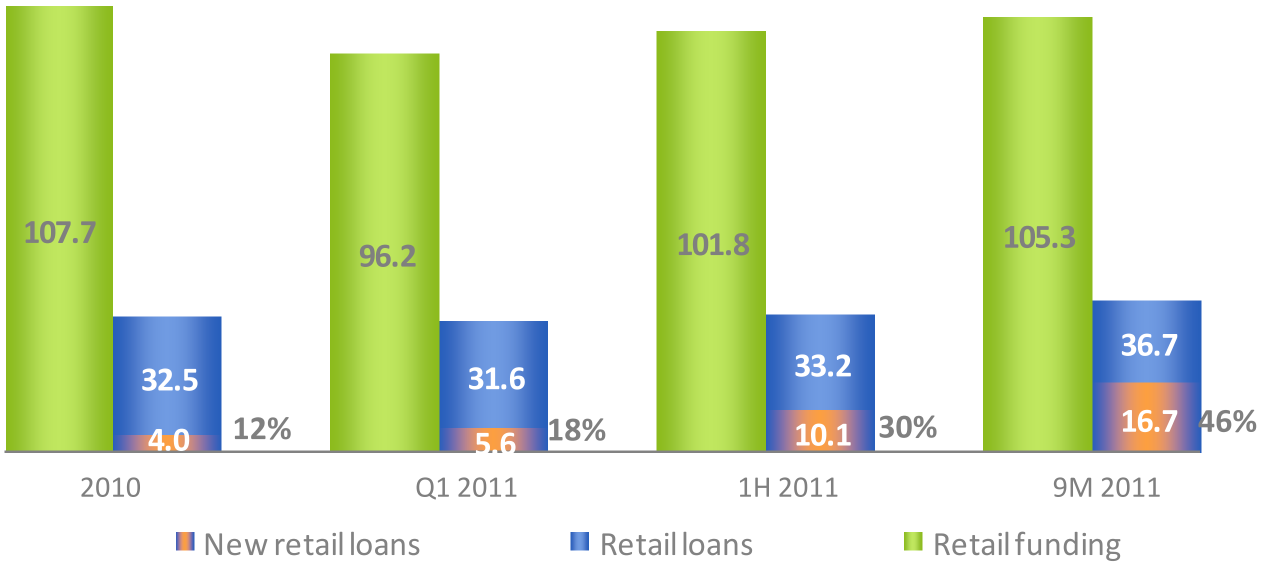
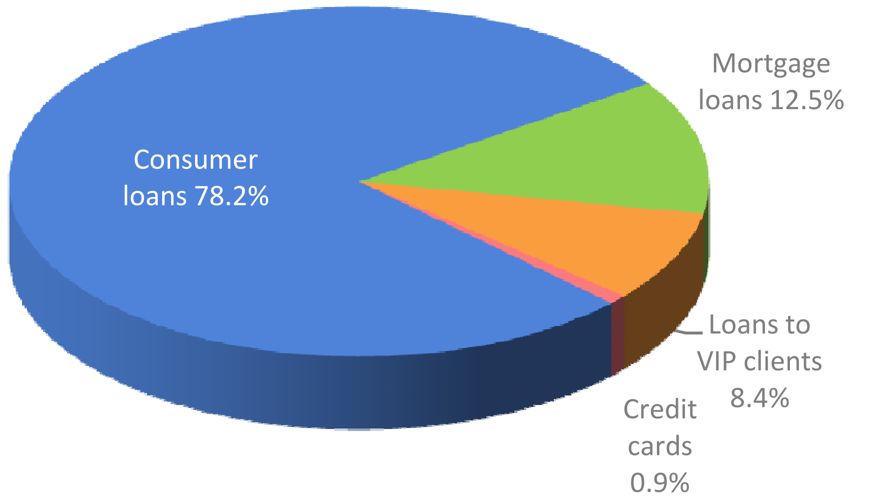
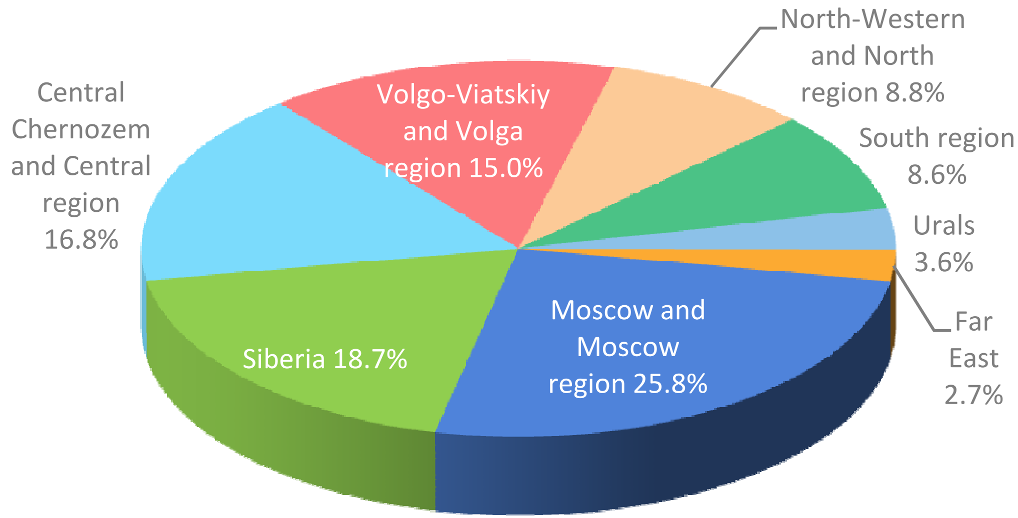
Retail loans & funding (RUB bn)



Structure of new retail loan portfolio (9M 2011)



Diversification by geographic region (9M 2011)



- In Q3 2011 retail lending strengthened its position and showed 11% growth (+13% for 9M 2011). Without the effect of NPL sale, the growth rate of retail loans would be +18% in Q3 2011 and +24% for 9M 2011
- Since August 2011 PSB has granted over RUB 2 bn of new retail loans on a monthly basis, achieving the targeted amount. RUB 5.8 bn of new retail loans was issued in Q3 2011 (+42% vs. Q2 2011)
- The Bank's wide branch network (over 260 points of sale) is supportive of further retail lending development. In Q3 2011 PSB opened 13 new offices. 18 and 50 new offices are to be opened in Q4 2011 and 2012, respectively.
- The share of retail current accounts and deposits to customer accounts remained stable at 35%

Investment Banking & Securities Portfolio

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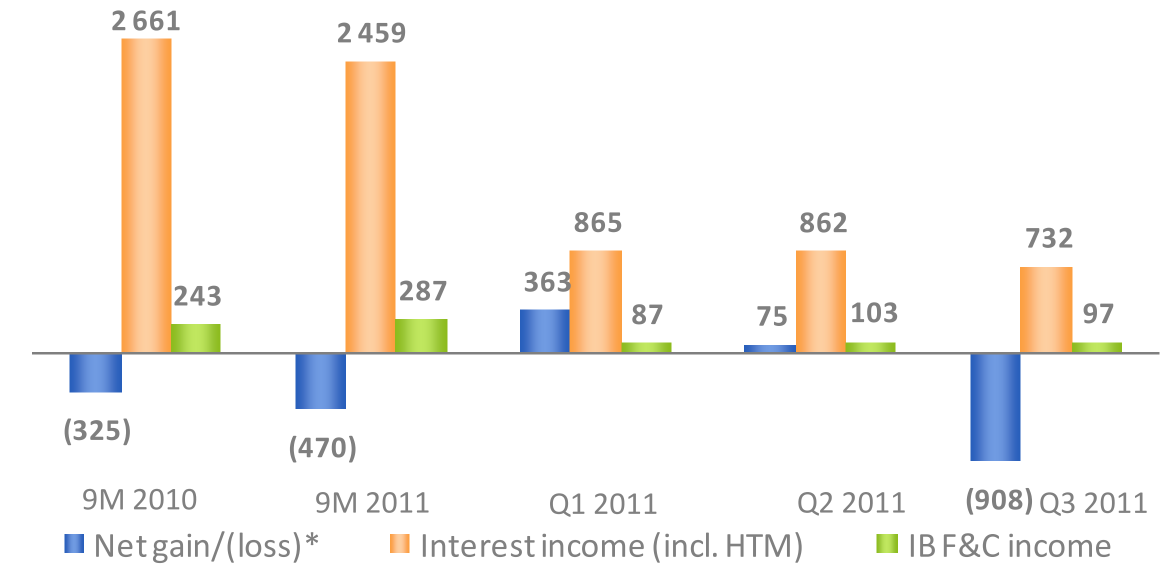
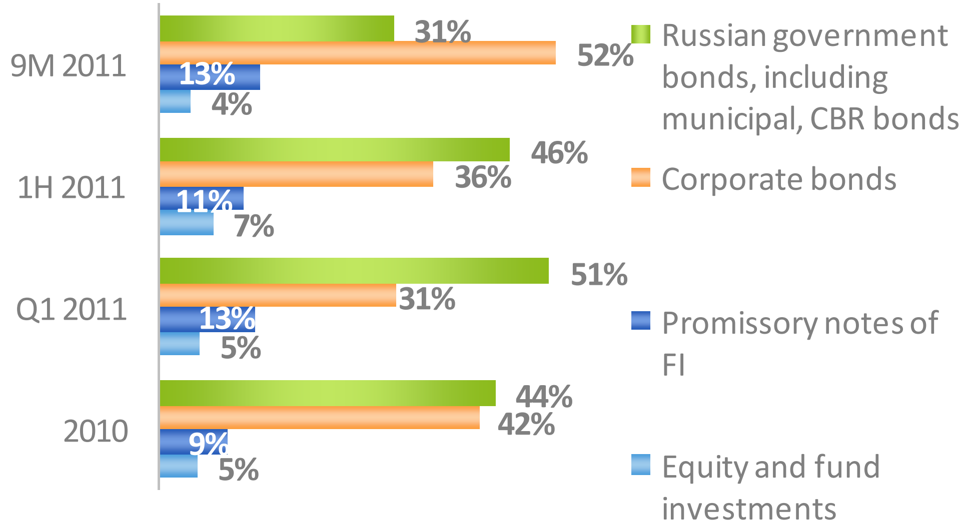
Securities portfolio performance (RUB mln)

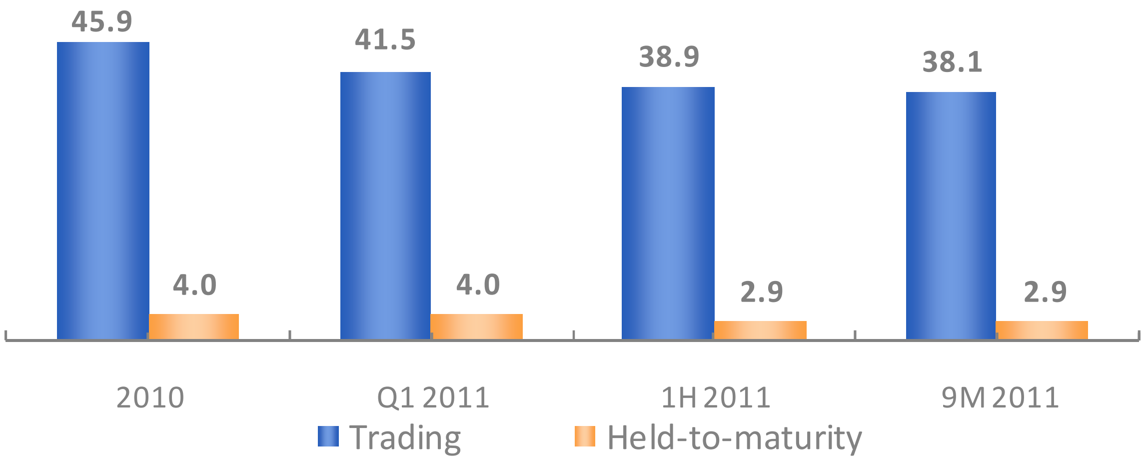


*excluding net gain/(loss) on early redemption of senior LPN

Securities portfolio breakdown



Trading and HTM securities portfolio (RUB bn)



- Due to instability of the financial markets PSB continued to decrease the share of securities to total assets in Q3 2011 from 9.2% as at 1 July 2011 to 8.1% as at 1 October 2011
- Weak Q3 2011 results reflect global financial markets turbulence beginning in August 2011. In October 2011 the upward trend allowed PSB to cover almost all negative revaluation loss incurred in Q3 2011
- The structure of PSB's securities portfolio remained conservative: 65% of bonds are eligible for REPO transactions with the CBR (Lombard list)
- PSB ranked on MICEX among the top-15 arrangers of RUB bond issues and among the top-10 largest repo operators for sovereign RUB bonds during 9M 2011

Capital Markets: Reduced Dependence on Market Funding

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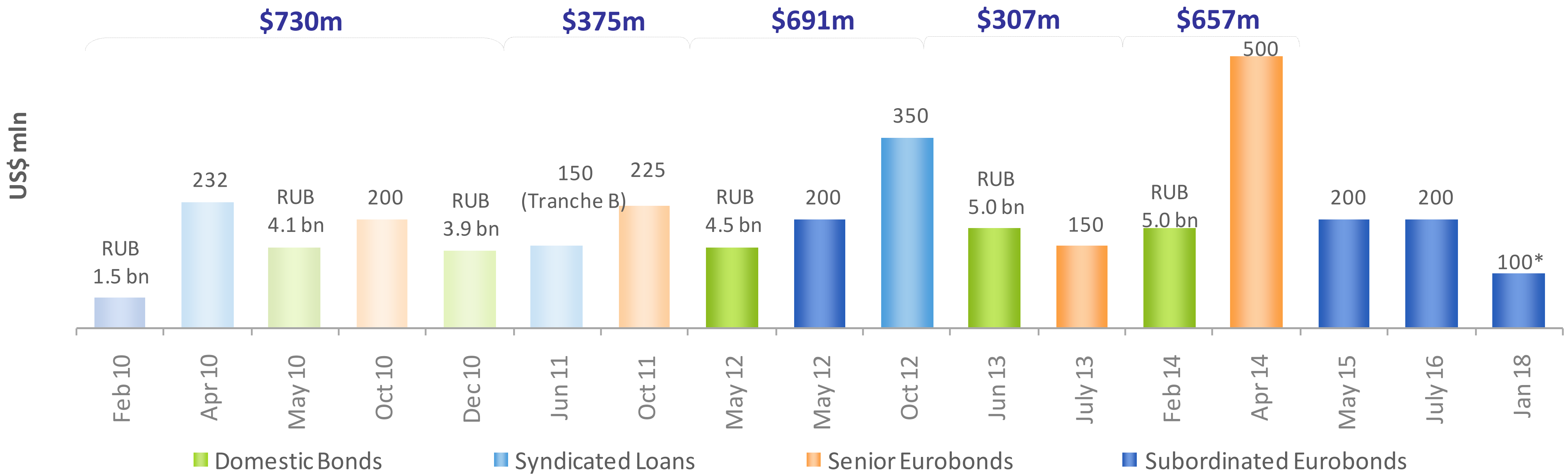
Redemption schedule of sizable public borrowings



** PSB call option 01/2013*

- In October 2011 PSB repaid a USD 225 mln Eurobond issue
- In October 2011 PSB received a USD 350 mln syndicated loan from a group of western banks at LIBOR+1.9% maturing in October 2012
- In April 2011, PSB placed a US$500 mn debut 144A/Reg Senior Eurobond issue maturing in 2014 with coupon of 6.2% (the book was oversubscribed more than twofold)
- In February 2011, PSB successfully placed RUB 5 bn of domestic bonds due in 2014

RUB/USD exchange rate as at 30 September 2011: US$1= RUB 31.9

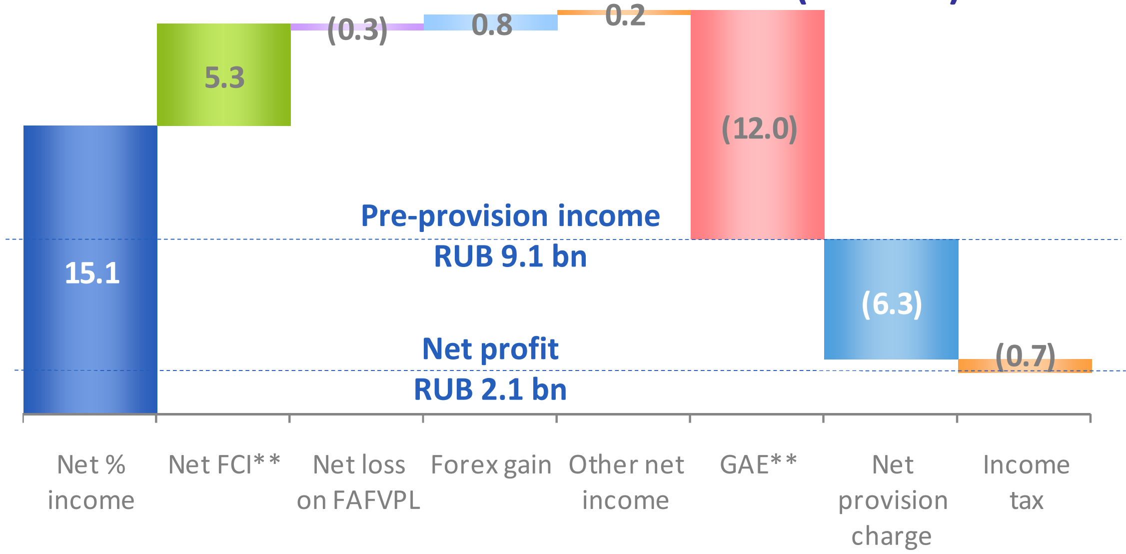
Financial Performance
9M 2011 Financial Results

9M 2011 Financial Highlights

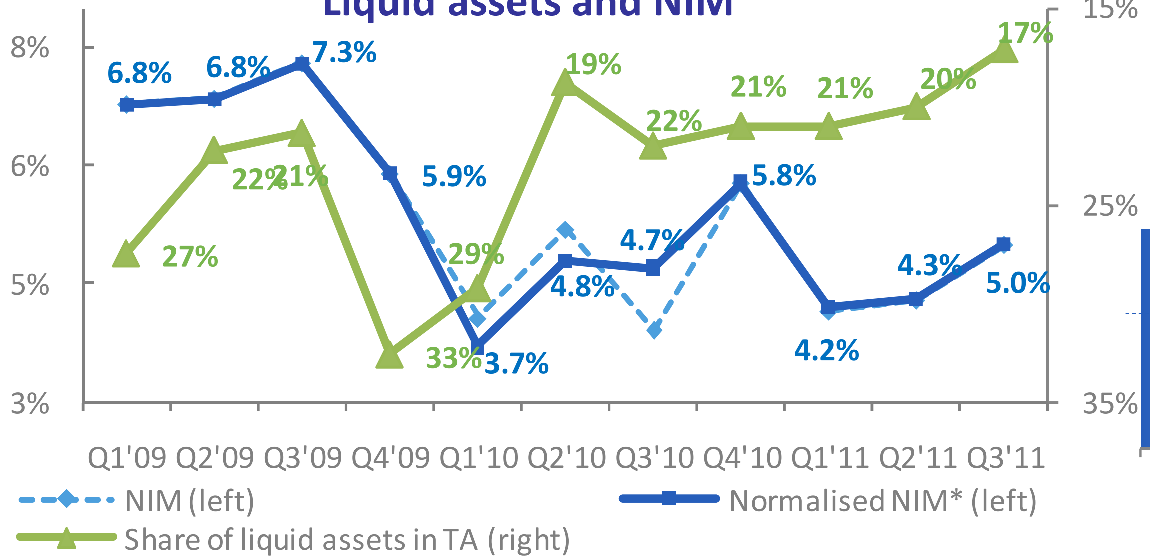
Promsvyazbank

- 9M 2011 **net profit** amounted to RUB 2.1 bn due to the improved net interest margin in Q3 2011, **ROE** increased from 5.1% for 1H 2011 up to 6.2% for 9M 2011
- Significant growth of **operating income** during 9M 2011 (+10% vs. 9M 2010), despite negative revaluation loss of the trading portfolio
- Stable **liquidity position**. Although PSB has significant limits from CBR and the Ministry of Finance, the Bank does not plan to use them.
- Further reduction in **NPLs level** (7.4% vs. 9.2% as at YE 2010) mainly driven by the sale and write-offs of non-performing corporate loans
- Significant improvement in the **net interest margin** in Q3 2011 was mainly driven by stabilization of loan lending rates starting an upward trend and maintaining a low cost of funding. The shift to more high margin products will lead to further NIM growth

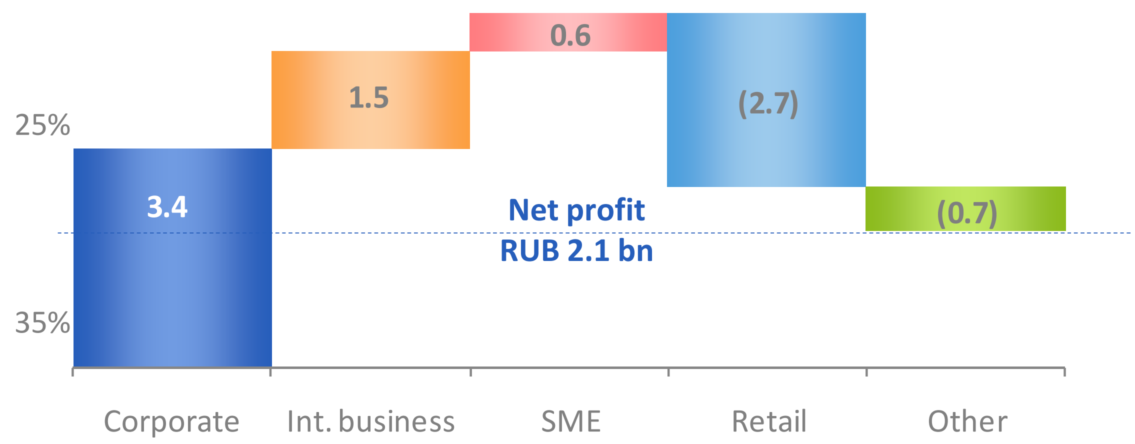
Income statement for 9M 2011 (RUB bn)



Liquid assets and NIM



Net profit for 9M 2011 by segments (RUB bn)



** Where a one-off effect is spread evenly over the whole reporting period. Started 1 July'10 interest income accrued on substantially provisioned loans is recognized in the P&L account net of provision*

***FCI– fee and commission income, GAE –general & administrative expenses*

Profitability and Operating Efficiency

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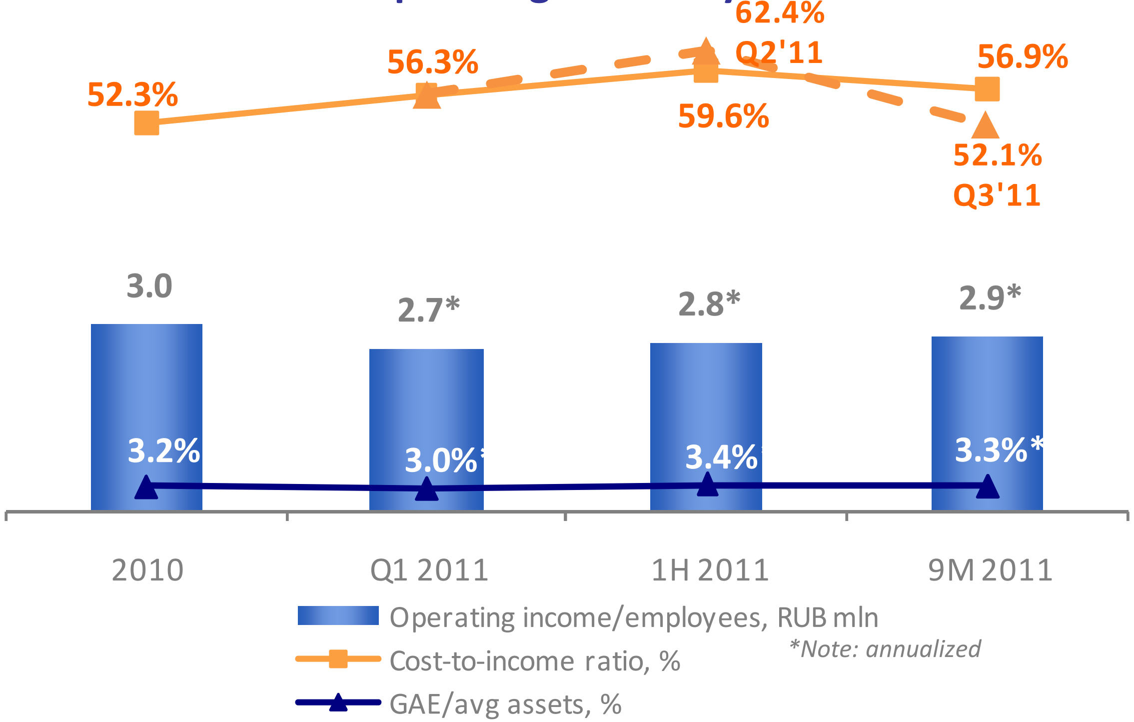
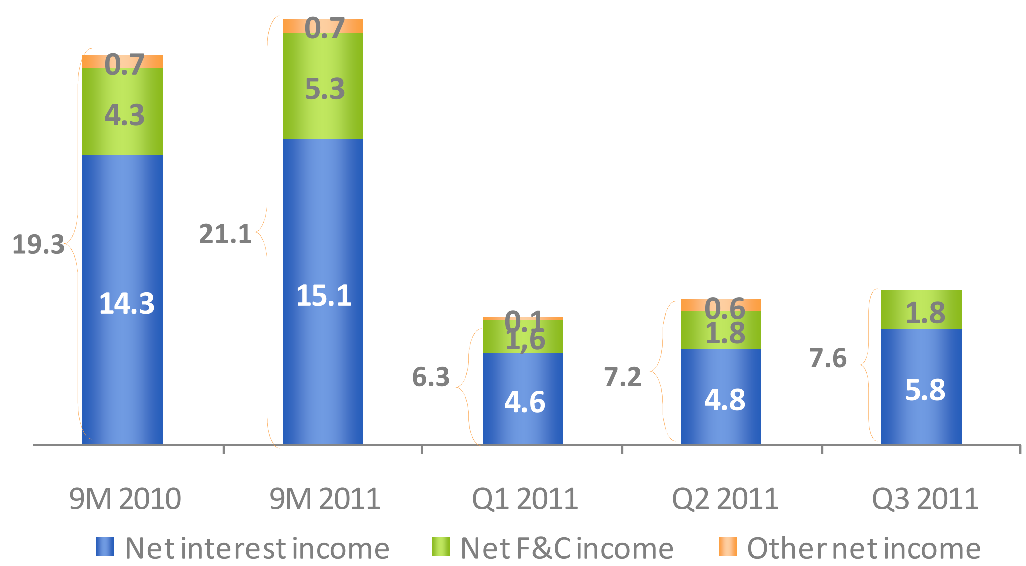
Operating efficiency



Operating income (RUB bn)



- Significant increase in **interest income** in Q3 2011 (+10% vs. Q2 2011) was due to the growth of the loan portfolio and began an upward trend in loan interest rates. Interest expenses remained almost flat in Q3 2011 (+1% vs. Q2 2011). The cumulative effect resulted in 22% growth of net interest income in Q3 2011
- Strong **net fee and commission income** (+24% vs. 9M 2010): RUB 5.3 bn during 9M 2011 vs. RUB 4.3 bn during 9M 2010. The share of net F&C income in operating income increased from 22% during 9M 2010 to 25% during 9M 2011
- Quarter-to-quarter improvement of **operating efficiency** in 2011 from RUB 2.7 mln operating income per employee in Q1 2011 up to RUB 2.9 mln in Q3 2011
- Significant improvement of the **cost-to-income ratio** in Q3 2011 to 52.1% was mainly driven by the decrease in staff costs due to the reduction of unused vacation accruals after the summer months

Funding

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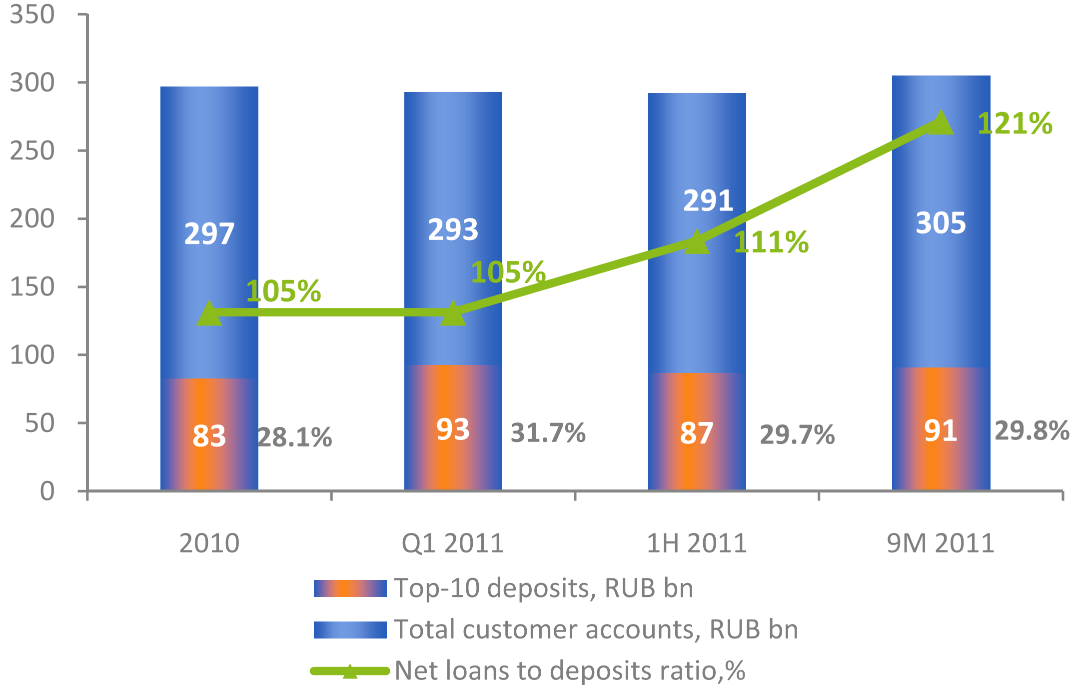
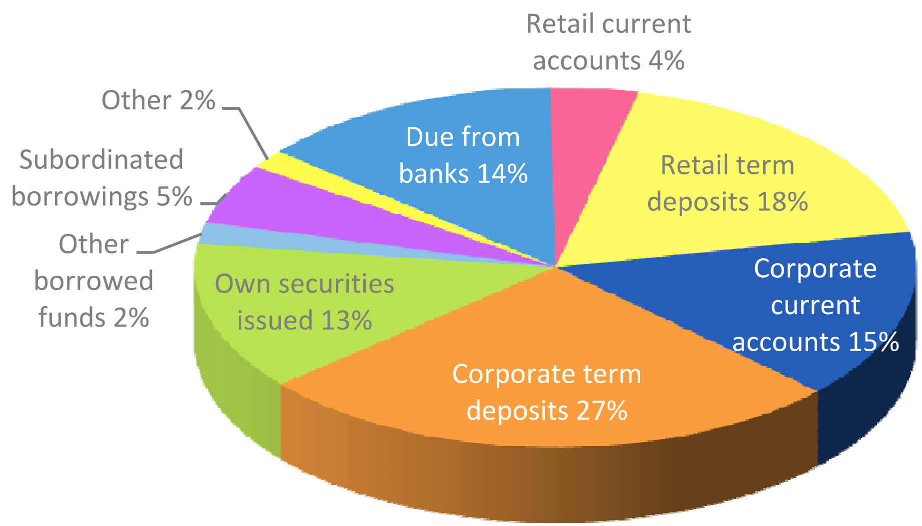
Deposits concentration



Strong funding mix (9M 2011)



- Slight decrease in the share of customer deposits in total liabilities (from 69% at YE 2010 to 64% as at 1 October 2011) as a result of the new Eurobond issue in April 2011 and a new subordinated loan received from majority shareholders in August 2011
- The net loans-to-deposits ratio grew from 105% at YE2010 to 121% as at 1 October 2011 – one of the key focus of the Asset-Liability Committee (ALCO)
- The share of the 10 largest depositors was flat in Q3 2011(near 30%) but remained significantly lower than in 2008 (38%)

Loan Portfolio Quality (1/2)

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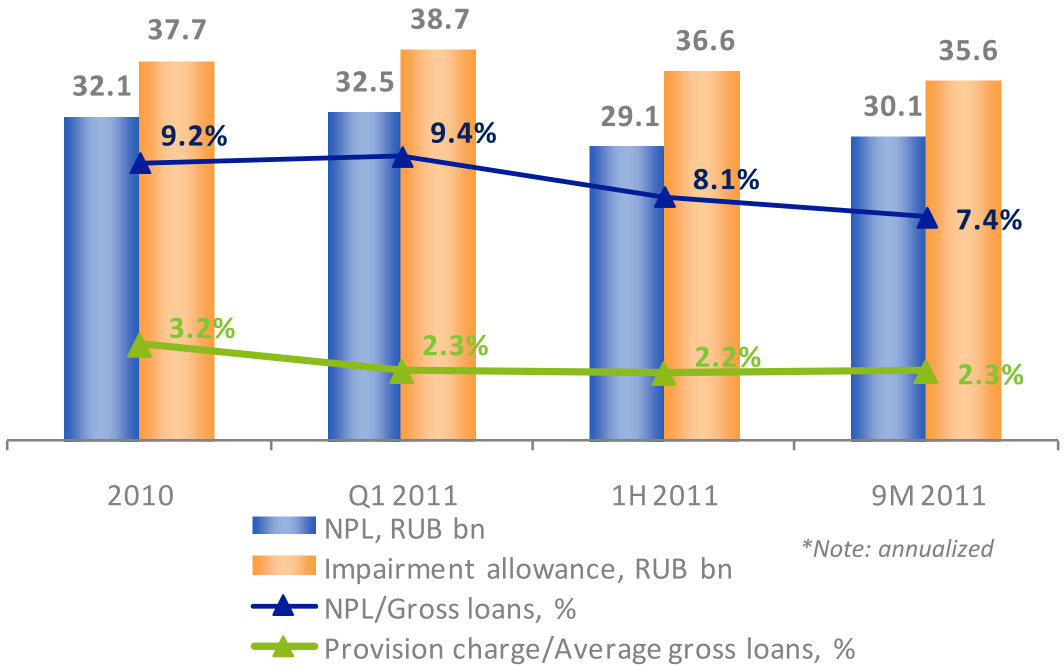
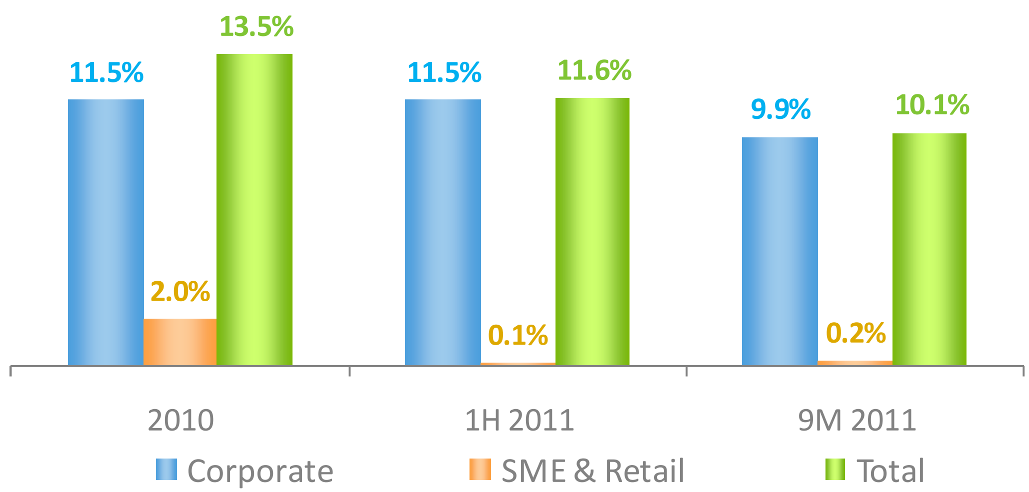
Decreasing NPL and provisioning



Loans with revised original terms to gross loans,%



- A reduction in NPLs continued in Q3 2011. The results exceeded management's expectations: the level of NPL at 7.4% was achieved one quarter earlier than expected
- PSB remains committed to maintaining its NPL coverage ratio at a level exceeding 100% (118% as at 1 October 2011)
- PSB does not intend to release loan loss provisions before the end of 2011 or in 2012, thereby building a safety cushion throughout a more favorable economic cycle, in order to mitigate volatility of earnings in case of a new wave of the economic crisis. Thus the cost of risk is quite stable – 2.3%
- The share of loans with revised original terms decreased from 13.5% at YE 2010 to 10.1% as at 1 October 2011

Loan Portfolio Quality (2/2)

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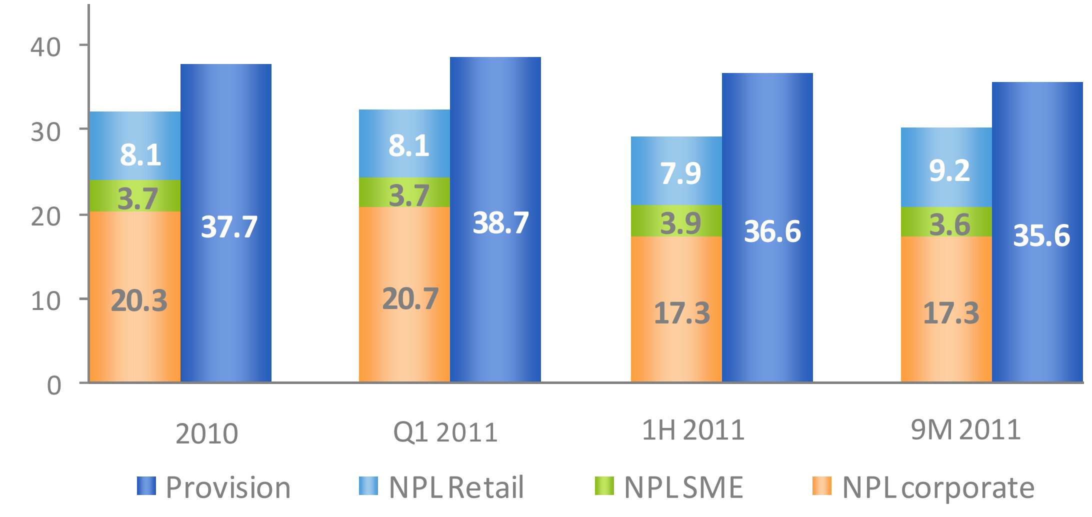
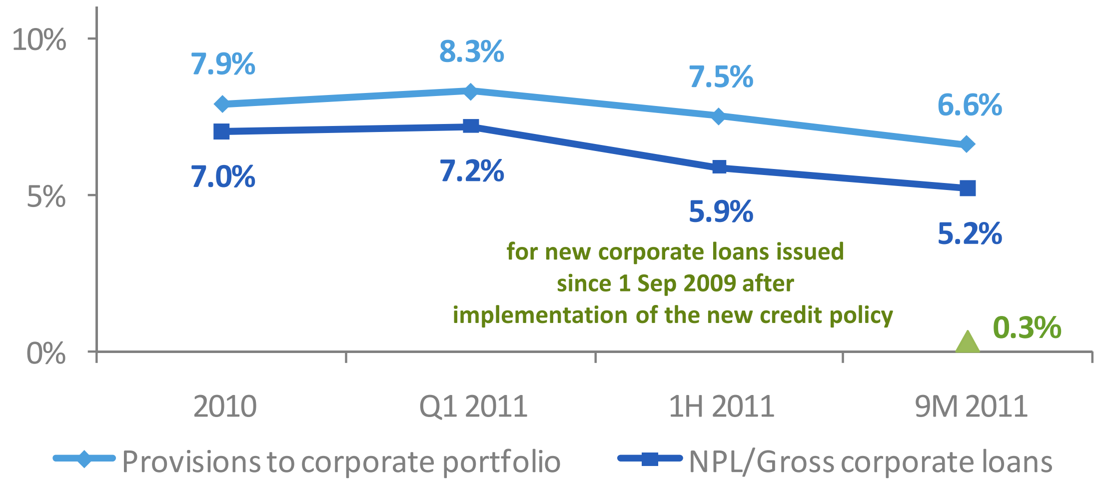
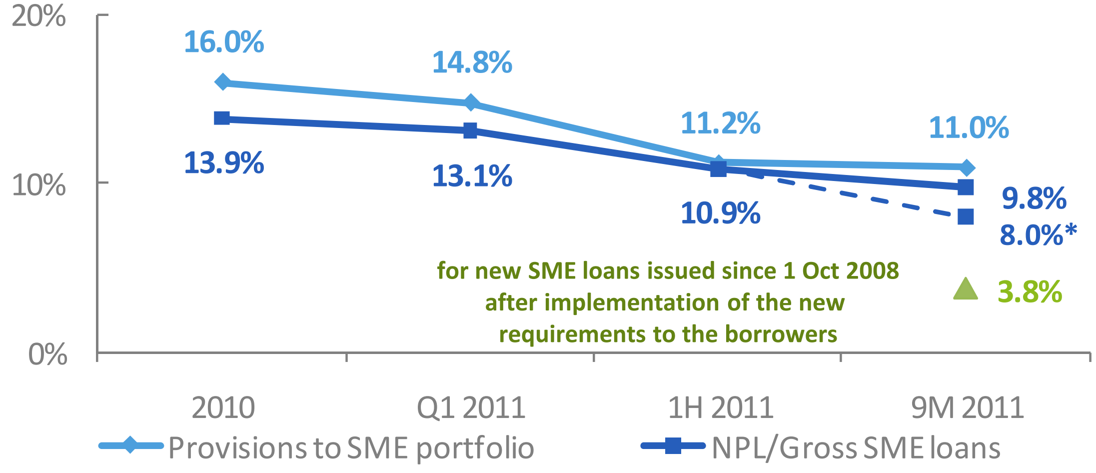
NPL and provisioning (RUB bn)



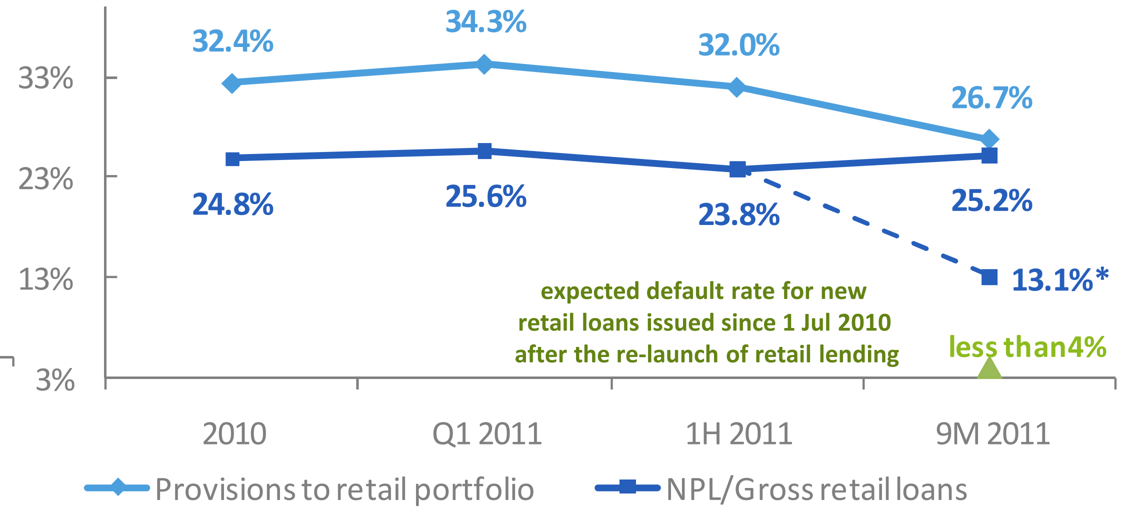
Corporate NPL and provisioning,%



SME NPL and provisioning,%



Retail NPL and provisioning,%

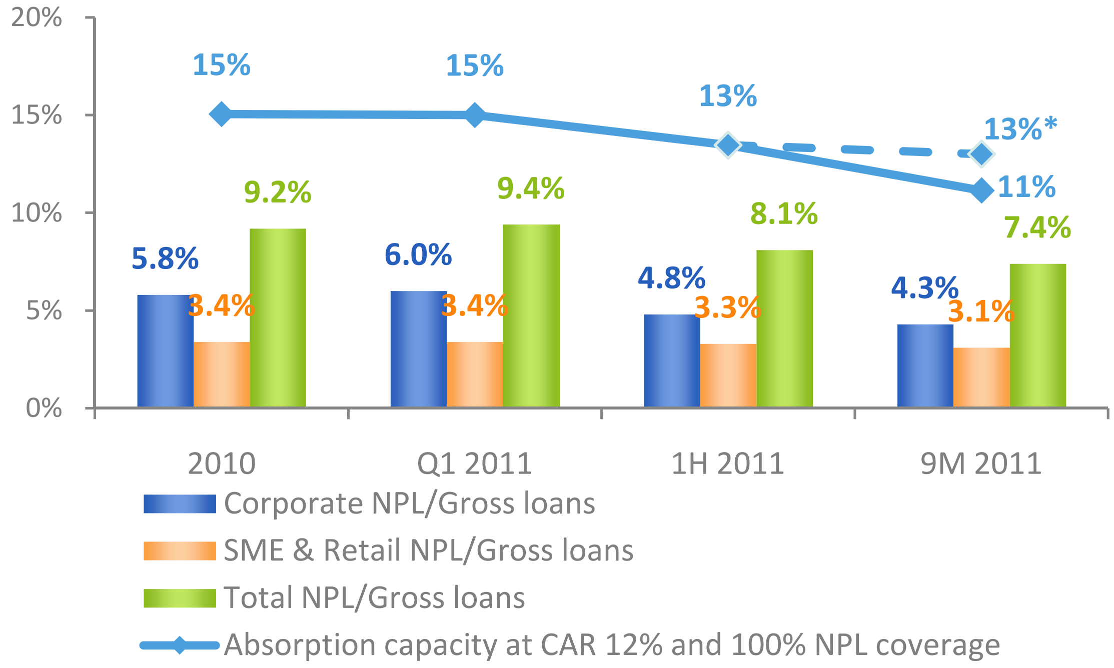


**The share of NPLs in SME and Retail loan book if the big portion of October and November sales were completed at the end of 9M 2011*

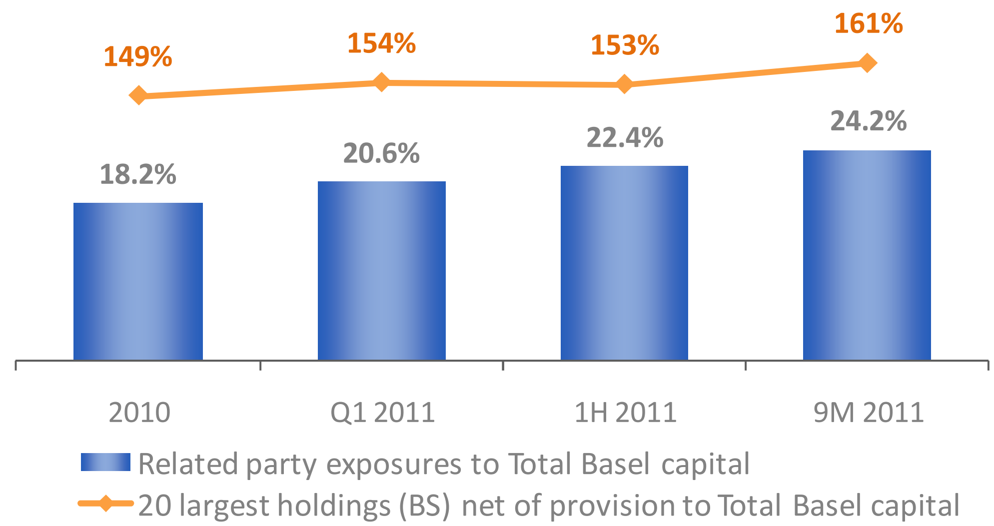
Capital

Promsvyazbank

Loss absorption capacity at CAR 12%



Related-party exposure and largest party concentration



- At the end of 9M 2011, PSB was in a position to absorb a theoretical level of NPLs up to 11% of gross loans whilst maintaining the TCAR in excess of 12% (i.e. another RUB 15 bn of NPLs at 100% provisioning rate could have been absorbed)
- The share of RP lending increased in Q3 2011 driven by a depreciation in Aug-Sep of the currency-denominated related-party loans
- The concentration of the top-20 largest holdings slightly increased in Q3 2011 due to the same reason
- In December 2011 PSB plans to increase the share capital by RUB 4 bn. Majority shareholders and EBRD will participate in this issue. A EUR 65 mln subordinated loan received from majority shareholders in August 2011 will be converted into new share capital
- In December 2011 PSB plans to receive a RUB 3.5 bn subordinated loan from EBRD maturing in 2018

**If new capital issue and new subordinated loan from EBRD were completed at the end of 9M 2011*

Balance sheet dynamics

Promsvyazbank

RUB mln	YE 2010	9M 2011	Change,%
ASSETS			
Cash and cash equivalents	45 182	35 155	(22%)
Obligatory reserves with central banks	3 016	5 114	70%
Placements with banks and other FI	12 122	9 784	(19%)
Securities portfolio (incl. HTM and AFS)	52 052	42 372	(19%)
Amounts receivable under reverse repo	15 950	25 713	61%
Loans to customers	310 948	369 256	19%
Other assets	35 857	36 240	1%
Total assets	**475 127**	**523 634**	**10%**
LIABILITIES			
Financial liabilities at fair value through profit or loss	1 593	1 454	(9%)
Deposits and balances from banks and other FI	59 678	65 095	9%
Amounts payable under repurchase agreements	2 790	3 835	37%
Current accounts and deposits from customers	297 047	304 988	3%
Own securities issued and OBF	44 930	72 876	62%
Subordinated borrowings	21 818	25 773	18%
Other liabilities	2 496	2 812	13%
Total liabilities	**430 352**	**476 833**	**11%**
Shareholder's equity	**44 775**	**46 801**	**5%**

Profit and loss

Promsvyazbank

RUB mln	9M 2010	9M 2011	% change (9M'10 vs. 9M'11)
Net interest income	14 273	15 151	6%
Net fees and commissions income	4 257	5 273	24%
Net loss on financial instruments at fair value through profit or loss	(325)	(288)	(11%)
Net foreign exchange gain	454	806	78%
Other net income and expense	647	203	(69%)
Provision for impairment	(6 456)	(6 328)	(2%)
Administrative and general expenses	(10 077)	(12 032)	19%
Profit before tax	**2 774**	**2 785**	**0%**
Income tax expense	(620)	(665)	7%
Profit for the period	**2 154**	**2 120**	**(2%)**

Financial metrics

Promsvyazbank

Balance sheet ratios	YE 2010	9M 2011
Tier 1 ratio	10.0%	**9.2%**
Total CAR (Basel)	14.4%	**13.3%**
ROE (annualized)	5.8%	**6.2%**
ROA (annualized)	0.5%	**0.6%**
Net loans / Customer deposits	105%	**121%**
Top 10 loans / Gross loans	17.0%	**16.8%**
Top 10 deposits / Customer deposits	28.1%	**29.8%**
Profit and loss ratios	**9M 2010**	**9M 2011**
Net fee & commission income / Operating income	**22.0%**	**24.9%**
CTI	**52.2%**	**56.9%**
Net interest margin(1)	**4.4%**	**4.4%**
Net interest spread(2)	**4.1%**	**4.3%**

(1)NIM = Net interest income / Avg interest-bearing assets
(2)NIS = (Interest income / Avg interest-bearing assets) – (Interest expense / Avg interest-bearing liabilities)

Thank you for your attention

Investor Relations Division

Irina Kirkova, Deputy Head of IR +7 495 411 51 19

ir@psbank.ru