

Independent Auditors' Report



ZAO KPMG
Naberezhnaya Tower Complex, Block C
18 Krasnopresnenskaya Naberezhnaya
Moscow 123317 Russia

Telephone +7 (495) 937 4477
Fax +7 (495) 937 4400/99
Internet www.kpmg.ru

To the Council of OAO "Promsvyazbank"

We have audited the consolidated financial statements of OAO "Promsvyazbank" (the "Bank") and its subsidiaries (the "Group") as at and for the year ended 31 December 2007, from which the accompanying summarized consolidated financial information was derived, in accordance with International Standards on Auditing. In our report dated 4 April 2008 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 2007 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
4 April 2008

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, a Swiss cooperative.

**Consolidated Balance Sheet as at 31 December 2007
(expressed in thousands of Russian Roubles)**

	2007	2006
ASSETS		
Cash and cash equivalents	38,088,343	26,484,968
Obligatory reserves with central banks	3,319,898	3,875,933
Placements with banks and other financial institutions	1,518,651	2,308,802
Financial assets at fair value through profit or loss	25,749,506	25,437,551
-Unpledged	23,555,428	25,437,551
-Pledged under sale and repurchase agreements	2,194,078	—
Amounts receivable under reverse repurchase agreements	3,362,081	1,013,103
Loans to customers	208,425,336	116,471,777
Investments available for sale	187,112	8,181
Current income tax prepayments	243,793	605,493
Other assets	1,128,464	653,216
Property and equipment	11,222,215	3,677,919
TOTAL ASSETS	293,245,399	180,536,943
LIABILITIES		
Financial liabilities at fair value through profit or loss	156,148	70,884
Deposits and balances from banks and other financial institutions	50,667,904	36,301,185
Amounts payable under repurchase agreements	2,175,112	32,381
Current accounts and deposits from customers	141,000,963	85,349,915
Own securities issued	45,038,656	24,196,942
Other borrowed funds	24,299,108	14,652,798
Other liabilities	993,490	635,821
Current income tax payable	38,737	21,497
Deferred tax liability	1,193,032	899,644
TOTAL LIABILITIES	265,563,150	162,161,067

**Consolidated Balance Sheet as at 31 December 2007
(expressed in thousands of Russian Roubles). Continuation**

	2007	2006
SHAREHOLDERS' EQUITY		
Share capital	7,468,794	6,188,794
Share premium	7,613,445	4,797,445
Revaluation reserve for property and equipment	2,357,758	830,002
Additional paid-in-capital	30,496	52,402
Retained earnings	10,211,756	6,507,233
TOTAL SHAREHOLDERS' EQUITY	27,682,249	18,375,876
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	293,245,399	180,536,943

Levkovskiy A.A.
President



Volchenko A.U.
Vice-president, CFO

**Consolidated Income Statement for the year ended
31 December 2007 (expressed in thousands of Russian Roubles)**

	2007	2006
Interest income	23,691,779	13,554,538
Interest expense	(11,528,655)	(6,633,721)
Net interest income	12,163,124	6,920,817
Fee and commission income	2,959,104	1,906,498
Fee and commission expense	(586,033)	(372,565)
Net fee and commission income	2,373,071	1,533,933
Net (loss)/gain on financial instruments at fair value through profit or loss	(123,911)	868,373
Net loss on disposal of investments available for sale	—	(57,650)
Net foreign exchange gain	915,449	358,059
Other income	289,183	122,743
	15,616,916	9,746,275
Impairment losses	(2,586,888)	(899,541)
General and administrative expenses	(8,010,074)	(5,389,181)
	(10,596,962)	(6,288,722)
Profit before tax	5,019,954	3,457,553
Income tax expense	(1,315,431)	(862,078)
Net profit	3,704,523	2,595,475
Attributable to:		
Shareholders of the parent	3,704,523	2,596,973
Minority interest related to limited liability subsidiaries	—	(12,290)
Minority interest related to other subsidiaries	—	10,792

Consolidated Statement of Cash Flows for the year ended 31 December 2007 (expressed in thousands of Russian Roubles)

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest and fee and commission receipts	26,680,159	15,726,624
Interest and fee and commission payments	(11,529,255)	(6,419,355)
Net receipts from financial instruments at fair value through profit or loss	72,698	591,122
Net receipts/(payments) from foreign exchange transactions	512,414	(556,938)
Other income received	277,454	122,743
General and administrative expenses paid	(7,349,277)	(5,035,996)
	8,664,193	4,428,200
(Increase)/decrease in operating assets		
Obligatory reserves with central banks	560,813	(1,657,708)
Obligatory reserves with central banks	751,378	(278,454)
Financial assets at fair value through profit or loss	(324,400)	(7,381,774)
Amounts receivable under reverse repurchase agreements	(2,342,566)	1,406,330
Loans to customers	(98,458,415)	(56,087,081)
Other assets	(463,130)	(122,030)
Increase/(decrease) in operating liabilities		
Deposits and balances from banks and other financial institutions	15,200,474	17,266,804
Amounts payable under repurchase agreements	2,141,008	32,352
Current accounts and deposits from customers	56,458,017	33,274,880
Promissory notes and certificates of deposit	12,743,870	4,947,029
Other liabilities	188,416	141,026
Net cash used in operating activities before taxes paid	(4,880,342)	(4,030,426)
Taxes paid	(1,123,877)	(1,462,544)

Consolidated Statement of Cash Flows for the year ended 31 December 2007 (expressed in thousands of Russian Roubles). Continuation

	2007	2006
Cash flows used in operations	(6,004,219)	(5,492,970)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments available for sale	(178,845)	—
Disposal of subsidiary	—	(107)
Acquisition of subsidiary	(136,906)	(200)
Net purchases of property and equipment	(5,800,071)	(1,511,507)
Cash flows used in investing activities	(6,115,822)	(1,511,814)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of loan participation notes and domestic bonds	9,049,321	3,339,427
Proceeds from other borrowed funds	10,997,645	10,054,884
Proceeds from issuance of share capital	4,096,000	2,510,400
Cash flows from financing activities	24,142,966	15,904,711
Net decrease in cash and cash equivalents	12,022,925	8,899,927
Effect of changes in exchange rates on cash and cash equivalents	(419,550)	(716,260)
Cash and cash equivalents at the beginning of the year	26,484,968	18,301,301
Cash and cash equivalents at the end of the year	38,088,343	26,484,968

Consolidated Statement of Changes in Shareholders' Equity for the year ended 31 December 2007
(expressed in thousands of Russian Roubles)

	Attributable to equity holders of the parent						Total equity
	Share capital	Share premium	Additional paid-in-capital	Revaluation reserve for property and equipment	Retained earnings	Minority interest	
Balance at 1 January 2006	4,872,794	1,902,245	—	830,002	4,085,686	95,186	11,785,913
Profit for the year ended 31 December 2006	—	—	—	—	2,596,973	10,792	2,607,765
Total income	—	—	—	—	2,596,973	10,792	2,607,765
Share issue	1,316,000	2,895,200	—	—	—	—	4,211,200
Disposal of subsidiary	—	—	—	—	(175,426)	(75,482)	(250,908)
Acquisition of minority interest of subsidiaries	—	—	52,402	—	—	(30,496)	21,906
Balance at 31 December 2006	6,188,794	4,797,445	52,402	830,002	6,507,233	—	18,375,876
Profit for the year ended 31 December 2007	—	—	—	—	3,704,523	—	3,704,523
Revaluation of property and equipment	—	—	—	2,010,205	—	—	2,010,205
Deferred tax related to revaluation of property and equipment	—	—	—	(482,449)	—	—	(482,449)
Total income	—	—	—	1,527,756	3,704,523	—	5,232,279
Share issue	1,280,000	2,816,000	—	—	—	—	4,096,000
Increase of amount payable under option agreement	—	—	(21,906)	—	—	—	(21,906)
Balance at 31 December 2007	7,468,794	7,613,445	30,496	2,357,758	10,211,756	—	27,682,249