

2013 IFRS Results

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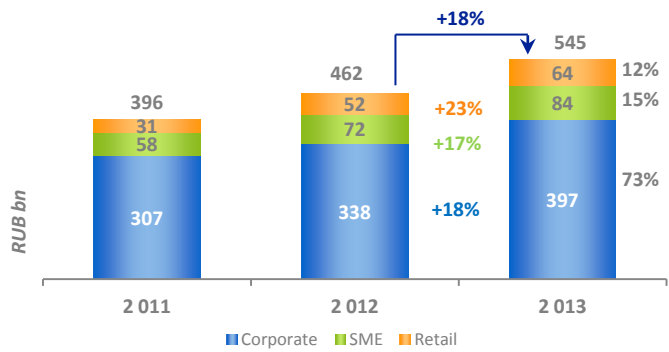
■ **Financial Highlights:**

- **Operating income** grew by 19% up to RUB 41 bn in 2013
- **Net profit** at RUB 4.0 bn in 2013 compared to RUB 8.2 bn in 2012
- **RAS N1** increased from 11.4% in 2012 to 12.0% in 2013

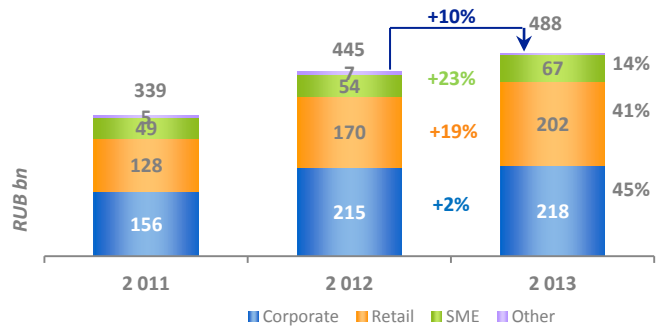
■ **Business Highlights:**

- **PSB is designated as Systemically Important Bank** by the CBR in Feb'14
- **PSB appointed as a DIA agent** in Dec'13 for payment of insurance compensation to depositors of failed Investbank
- **#1 privately-owned bank and #3 overall bank** in Russia by inflow of retail deposits in Jan'14
- **Significant inflow of new clients** in SME and Retail during last 3 months
- **Strong liquidity:** PSB's obligation to CBR represents only 1.4% (repo transactions) of total liabilities, the limit with the CBR is utilized for less than 5% as at 31 Dec'13

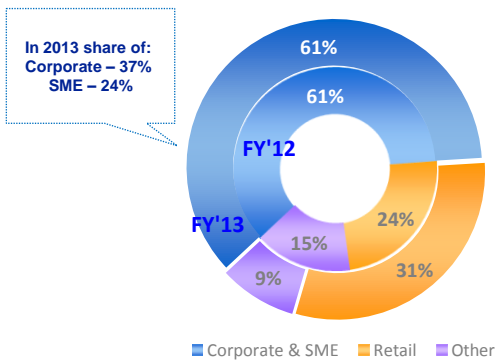
Net Loan Portfolio



Customer Accounts and Deposits



Operating income 2013¹



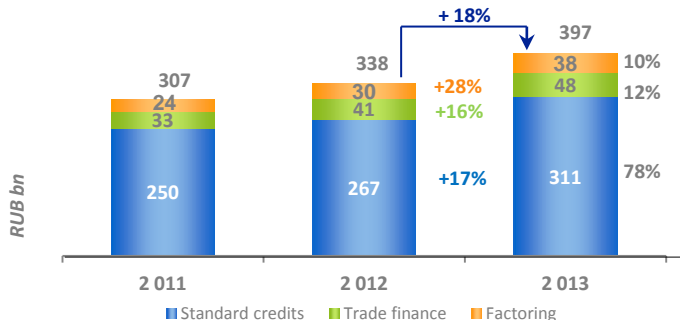
Total: RUB 40.8 bn (+19%)

- 18% growth in total net loan portfolio with 20% growth in strategic products²
- Current accounts growth rate exceeds both total customer accounts growth and assets growth
- 19% operating income growth
- Share of retail operating income in total operating income increased by 7 p.p.

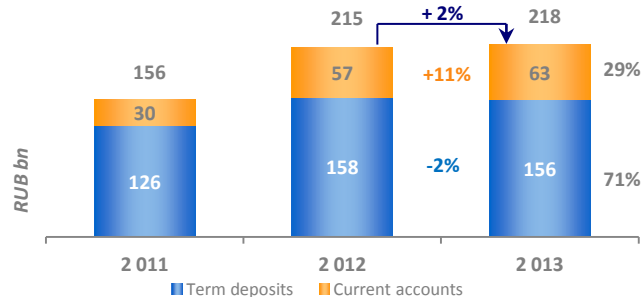
¹ The effect of the reclassifications on the Corporate and SME segment income statement for 2012 cannot be measured reliably, thus, showed integrated for both years.

² SME + Retail + Factoring + International trade finance

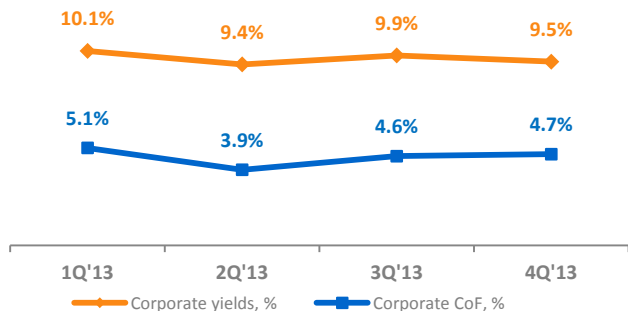
Net Loans



Customer Accounts



Loan Yields¹ and Cost of Funding²

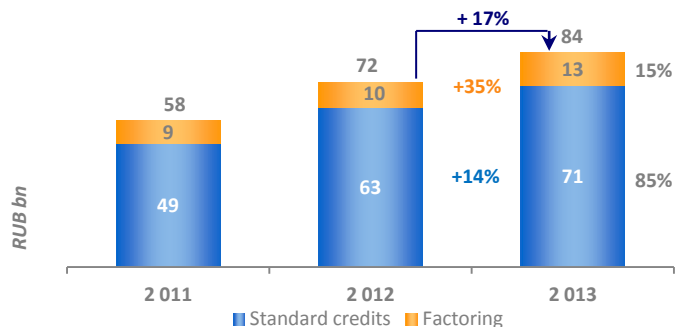


- #2 domestic privately owned bank by corporate loans³
- #1 in export factoring⁴/#2 in factoring (18.2% market share)⁵
- Trade finance leader with 18.2% of market by export LC / 8.3% of market by Import LC⁶
- Share of current accounts up to 29%
- Share of net F&C income up to 17% from operating income
- Share of risk-free income in operating income of the segment: 35%
- New clients acquired (railways, oil & gas, utilities, aviation, etc.) and supported loan book expansion

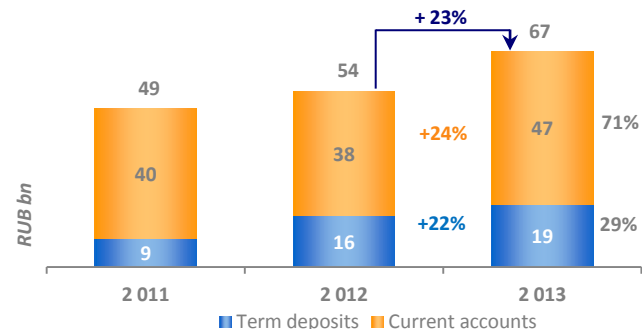
... BUT THE BANK KEEPS TOP - 10 POSITION

¹ Interest income of corporate segment divided by monthly average corporate gross loans; ² Cost of Funding = interest expenses of corporate segment divided by monthly average corporate liabilities; ³ RBC as at 30.12.2013; ⁴ According to Factors Chain International for 2013; ⁵ Expert RA for 2013; ⁶ SWIFT data for 2013

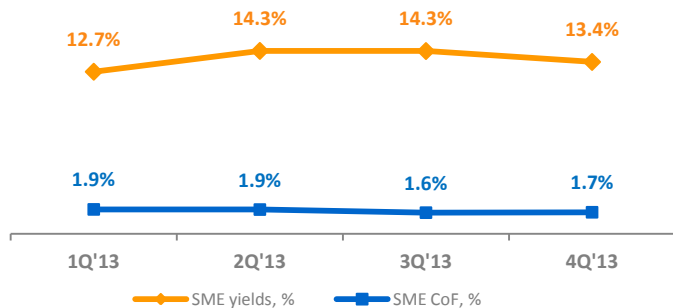
Net Loans



Customer Accounts



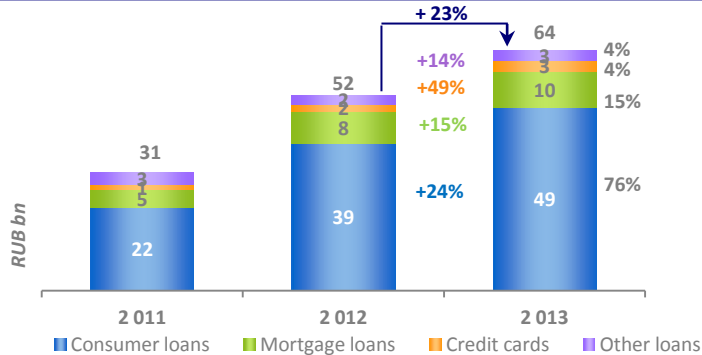
Loan Yields and Cost of Funding



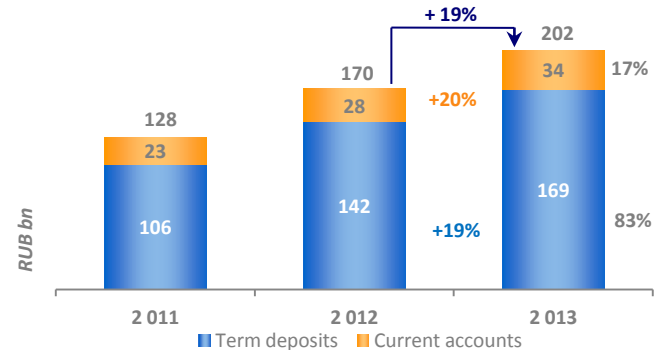
- Market positions maintained (4th largest by SME loans) despite competition from the state owned banks¹
- Share of current accounts up to 71%
- Solid F&C growth supported by high quality transactional services of the Bank
- Share of risk-free income in operating income of the segment: 56%
- Next: replacement of standard loans by factoring as more marginal & focus on transactional services like eg. Regional Housing and Utilities cash management services

... STEADILY GROWS

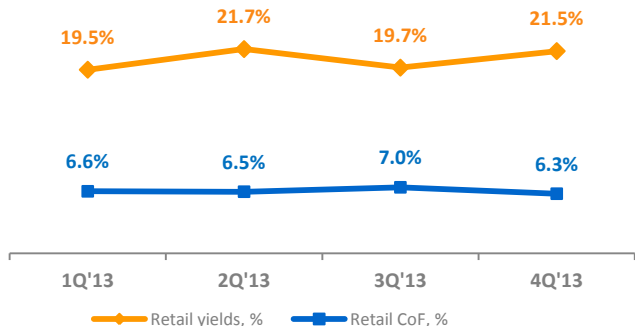
Net Loans



Customer Accounts



Loan Yields and Cost of Funding



- 10x increase of pre-provision income
- Distribution predominantly through corporate channel & Internet
- The Best Call-Center¹ / The Best Internet Bank in Russia in 2013²
- RUB 20 bn turnover of e-commerce market in 2013 (10% market share)
- #2 among Russian banks by customer loyalty (measured by Net Promoter Score Index)
- Share of risk – free income in operating income of the segment: 44%
- Share of net fees and commission income up to 31% from segment operating income
- Mortgages to become next focus of development

... HOWEVER CHALLENGED BY ASSET QUALITY

¹ Award "ICE HEADSET", ² Global Finance and International Finance Magazine in 2013

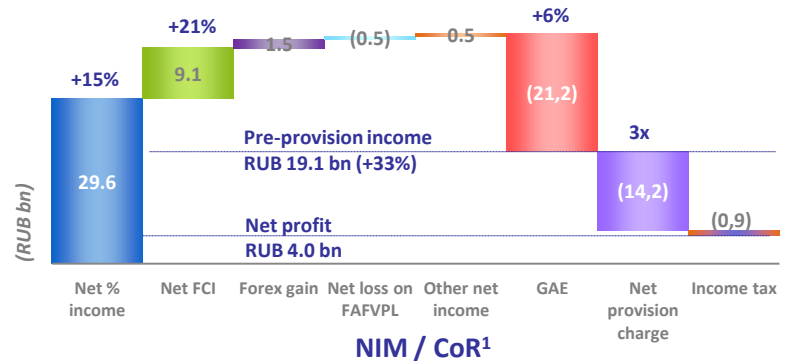
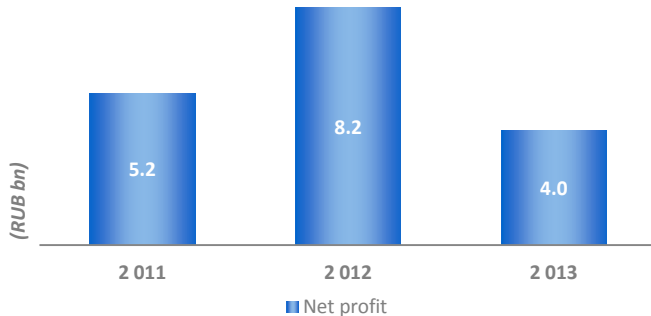
■ Financial Standing

- **Total assets** increased by 7% to RUB 739 bn (2012: RUB 690 bn)
- **Net loans to customers** increased by 18% to RUB 545 bn (2012: RUB 462 bn)
- **Customer accounts** grew by 10% to RUB 488 bn (2012: RUB 445 bn)
- **Shareholder's equity** increased by 5% from RUB 63 bn in 2012 to RUB 66 bn in 2013,
- **RAS N1** increased from 11.4% in 2012 to 12.0% in 2013

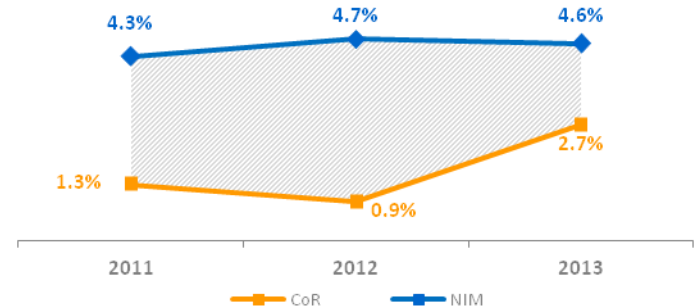
■ Profit & Loss

- **Operating income** increased by 19% from RUB 34.3 bn in 2012 to RUB 40.8 bn in 2013
- **Net interest margin** kept stable: 4.6% in 2013 vs. 4.7% in 2012
- **Cost of risk** increased from 0.9% in 2012 to 2.7% in 2013
- **Net profit** at RUB 4.0 bn in 2013 compared to RUB 8.2 bn in 2012
- **Cost to income ratio** improved from 58% in 2012 to 52% in 2013

Net Profit



- Pre-provision income grew by 33%
- Operating income grew by 19%
- NII and NF&C income accounts to 95% of operating income
- High share of risk free transactional business
- Margins kept flat

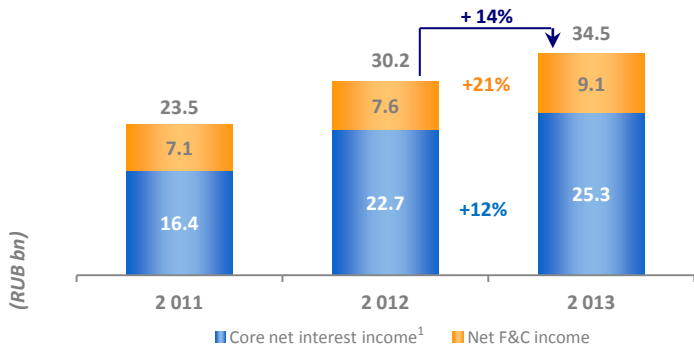


...HIT BY INCREASED COST OF RISK DUE TO NEGATIVE MACRO

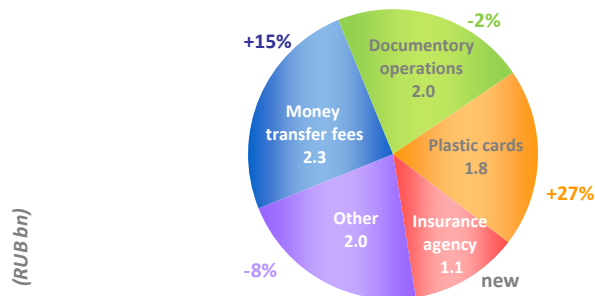
¹ Cost of Risk (CoR) = Provision charge divided by monthly average gross loans

TRANSACTIONAL BUSINESS IS ONE OF THE BANK'S PRIORITIES...

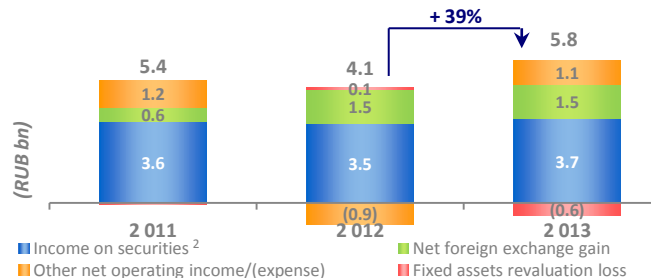
Core income



Net Fees and Commission Income, 2013



Non-Core Income



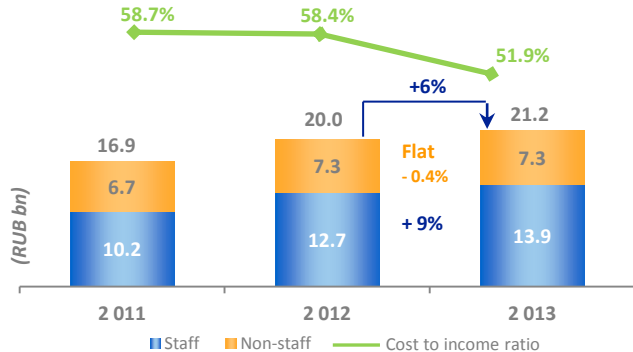
- Operating income mainly driven by NII and net F&C income
- Core income grew by 14%
- Significant share of net fees and commission income (22% of operating revenue in 2013)
- Share of retail & SME net fee and commission income increased to 70 % in 2013

... TRADING, FOREX AND OTHER VOLATILE OPERATING INCOME LESS THAN 5% OF REVENUES

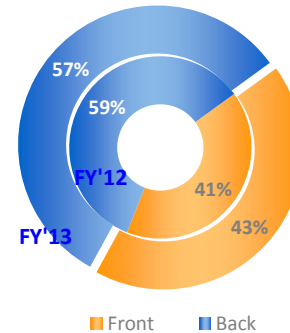
¹ Core net interest income = Net interest income less interest income on securities

² Income on securities = Interest income on securities plus net result on FI at FVPL

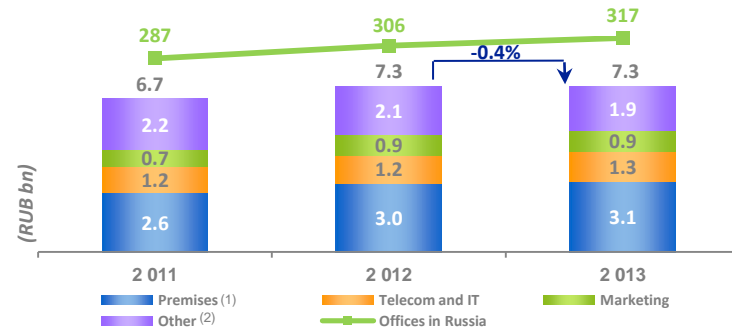
Operating Expenses



Staff Count



Non-Staff Costs



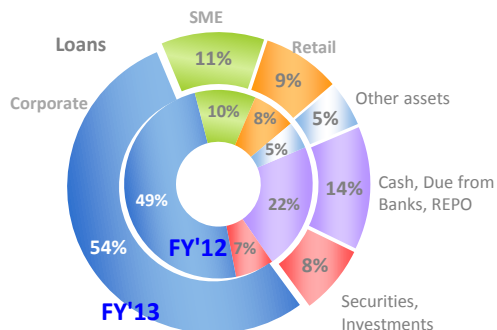
- Significant improvement of CTI to 52% in 2013
- Non-staff costs are flat y-o-y despite network expansion
- 9% growth of staff expenses corresponds to an increase in front to back ratio

... INVESTING IN PERSONNEL AND NEW PROFITABLE PROJECTS

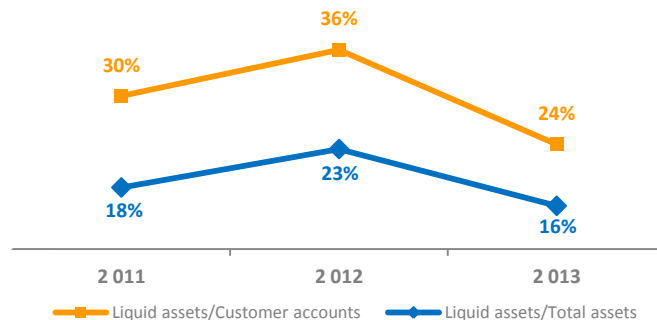
¹ Premises costs includes occupancy, depreciation and repairs, maintenance and supply costs

² Other non-staff costs includes security expenses, insurance (rather than deposit insurance), transportation costs, taxes (other than income tax) and other

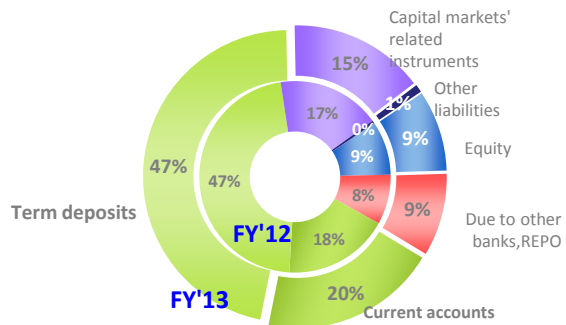
Assets



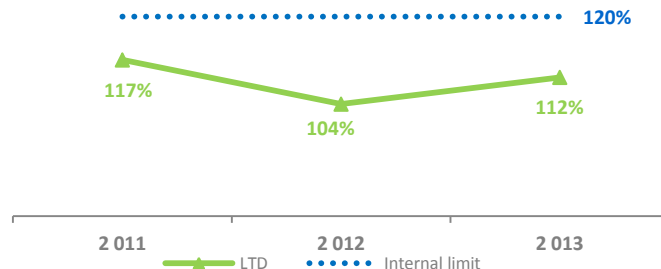
Liquid Assets¹



Liabilities & Equity

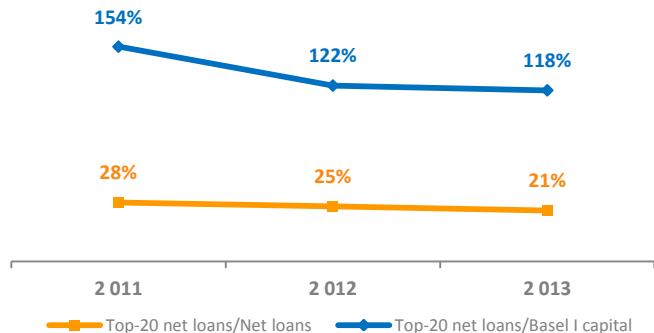


Loans to Deposits

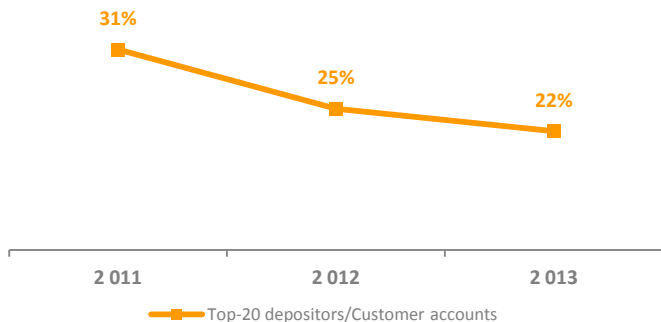


¹Cash and Cash equivalents + Placements with other banks up to 1 month + Financial assets as FVPL up to 1 month + REPO

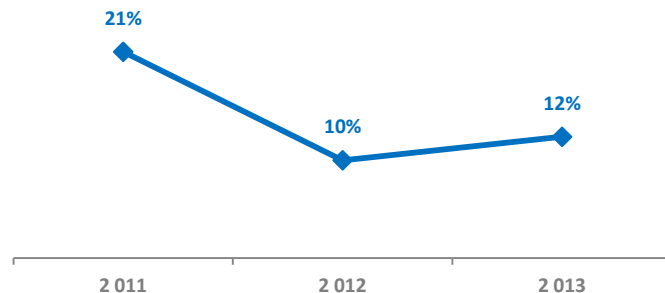
Largest borrowers' concentration



Largest depositors' concentration



Related party exposure¹



- Decreased share of 20 largest borrowers, focus on new clients' acquiring
- 20 largest depositors concentration decrease
- Related parties exposure decreased almost twice in 2 years to 12.3% of Basel I capital

... IMPROVES BALANCE SHEET

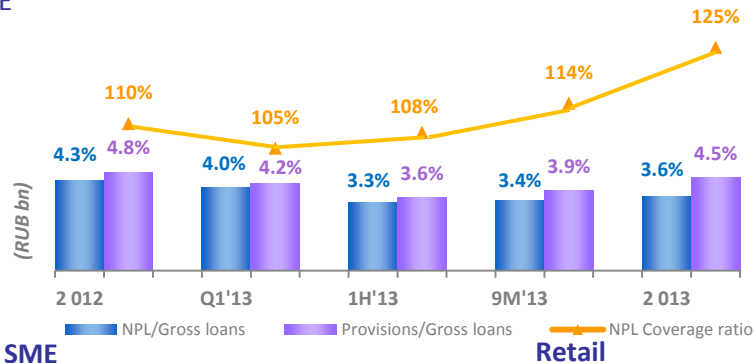
¹Related parties exposure. Includes net loans to relevant parties, other assets, guarantees, and letters of credit issued

LOAN PORTFOLIO PERFORMANCE AFFECTED BY MACRO ENVIRONMENT...

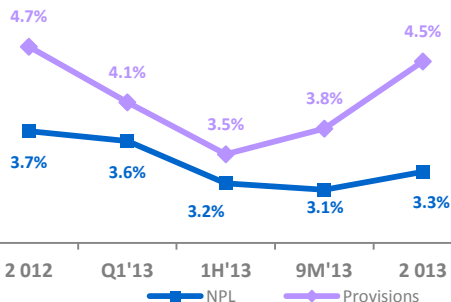


NPL¹ and Provisions

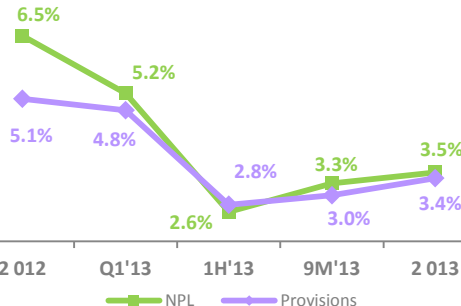
- Downward quality trend started with retail, went on to SME and then to corporate
- NPL ratios are still significantly lower than in 2011 in all business segments
- NPLs decreased due to efficient sale of non-performing loans and write-offs
- Coverage ratio raised to 125%



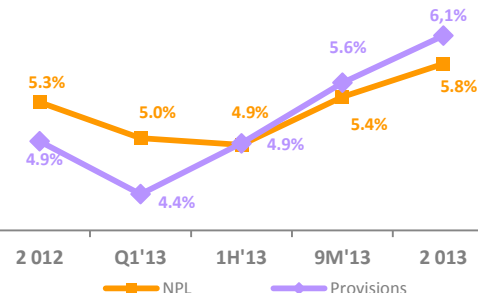
Corporate



SME



Retail

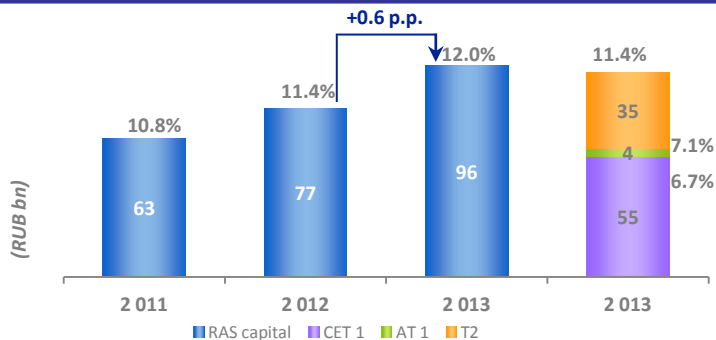


... WHILE PSB PROACTIVELY ENHANCES MANAGEMENT POLICIES AND ADJUSTS STRATEGIC GROWTH RATES

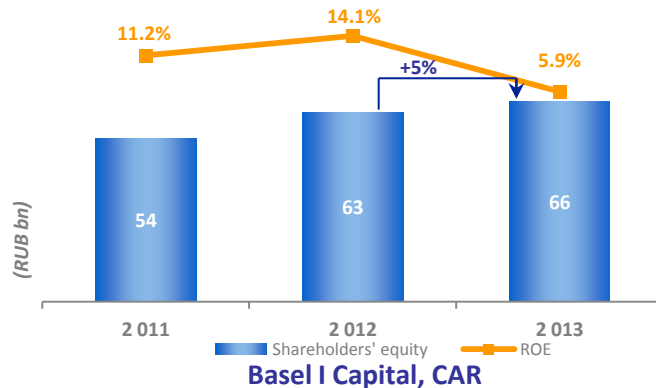
¹ Overdue 90 days +

- Significant improvement of CBR N1: by 120 bp to 12.0% during last 2 years
- Basel III requirements under RAS are met since launch in May 2013
- Target level for N1.0 for 2014 – 13%

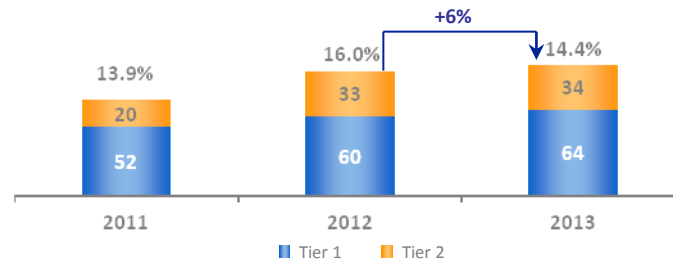
RAS N1 Capital Adequacy / RAS Basel III



Shareholders' Equity



Basel I Capital, CAR



... NEEDS TO BE FURTHER SUPPORTED BY NEW SUBORDINATED DEBT ISSUANCE

Thank you for your attention!

Q&A

APPENDIX 1: BALANCE SHEET

RUB bn	2013	2012	Y-o-Y	9m'13	2013 vs. 9M'13
ASSETS					
Cash and cash equivalents	69 762	122 591	(43%)	107 933	(35%)
Obligatory reserves with central banks	7 493	6 229	20%	7 164	5%
Placements with banks and other FI	20 681	11 839	75%	16 774	23%
Securities portfolio (incl. HTM and AFS)	56 856	46 266	23%	57 169	(1%)
Amounts receivable under reverse repo	2 658	9 452	(72%)	5 238	(49%)
Loans to customers	545 469	461 852	18%	511 814	7%
Other assets	36 178	31 997	12%	32 277	12%
Total assets	739 097	690 226	7%	738 679	0%
LIABILITIES					
Deposits and balances from FI and OBF	73 033	74 612	(2%)	86 992	(16%)
Amounts payable under repurchase agreements	9 503	2 820	3.4x	19 161	(50%)
Current accounts and deposits from customers	488 119	445 342	10%	460 161	6%
Own securities issued and subordinated borrowings	95 821	101 398	(6%)	74 020	(2%)
Other liabilities	6 459	3 308	95%	5 555	16%
Total liabilities	672 935	627 480	7%	669 933	0%
SHAREHOLDERS' EQUITY	66 162	62 746	5%	68 436	(3%)

APPENDIX 2: PROFIT AND LOSS

RUB bn	2013	2012	Y-o-Y	Q4'13	Q4'12	Q-o-Q
Net interest income	29 624	25 830	15%	8 099	6 790	19%
Net fee and commission income	9 146	7 559	21%	2 529	1 952	30%
Net (loss)/gain on FAFVPL	(548)	381	n/a	(1 138)	(76)	15.1x
Net foreign exchange gain	1 503	1 489	1%	558	542	3%
Other net income/(expense)	1 075	(949)	n/a	720	37	19.3x%
Operating income	40 800	34 310	19%	10 768	9 245	16%
Loan impairment charge	(14 160)	(4 327)	3,2x	(6 374)	(2 027)	3.1x
Other impairment charge	(269)	(2)	134.5x	(206)	(2)	116.6x
Administrative and general expenses	(21 186)	(20 047)	6%	(5 607)	(5 145)	9%
Net (loss) / gain on revaluation of property	(553)	70	n/a	(553)	70	n/a
Profit / (loss) before tax	4 901	10 006	(51%)	(1 972)	2 141	n/a
Income tax (expense) / release	(944)	(1 848)	(49%)	326	140	2.3x
Net profit / (loss)	3 957	8 158	(51%)	(1 646)	2 282	n/a