



**GAZPROMBANK**

# 2013

GAZPROMBANK GROUP  
ANNUAL REPORT BASED ON IFRS  
CONSOLIDATED FINANCIAL  
STATEMENTS

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BASED ON IFRS CONSOLIDATED  
FINANCIAL STATEMENTS

2013

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# STATEMENT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

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“Despite challenging external conditions,  
the Bank has fulfilled its plan in full”

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## Dear Shareholders,

GPB (OJSC) demonstrated good financial performance during the reporting year and fulfilled its plan almost in full despite challenging external conditions.

The bank reaffirmed its stable position among the top three credit institutions of Russia in terms of key performance indicators, such as capital, assets, loans provided to the non-financial sector and funds raised from corporate customers and individuals. The Bank's market share has been increasing progressively amounting to 6.2% and 5.9% in terms of total assets and banking system capital, respectively. Our achievements attest to the fact that the Bank's strategy for long-term balanced growth proved effective. When elaborating the strategic goals jointly with its shareholders, the Bank developed a number of strategic initiatives in the most promising areas of operations, such as investment lending and special-purpose finance, syndicated and structured finance, and investment in the real sector. The process of implementing the previously adopted strategies and keeping them up-to-date was continuously monitored. One of the top priorities identified by the Bank for the nearest future is optimization of the business structure to improve profitability and ensure stability of income.

Cooperation with the backbone enterprises representing the key sectors of the Russian economy continues to remain one of the focal

points for GPB. For more than 20 years now, the Bank has been successfully developing its strategic partnership with OAO Gazprom and its subsidiaries. The Bank acts as a lender, lead arranger and consultant in a number of Gazprom's large-scale projects and programs. The past year saw a number of new important transactions. In particular, the Bank was awarded an advisory mandate in the construction of the Serbian and Bulgarian sections of the South Stream gas pipeline.

GPB's non-gas projects include participation in a syndicate of international banks that financed the construction of the universal rolling mill worth over USD 1 billion for Chelyabinsk Metallurgical Plant. This investment project, one of the largest in the national metallurgical industry, was implemented successfully with the mill gone into operation in July 2013.

The Bank is steadily expanding geography of its business by strengthening the local network and entering new countries and areas. With due regard to the West, the Bank sees one of the top-priority objectives in the promotion of its cooperation with the Eastern partners, including China, India, Vietnam, and other Asian countries.

The Board of Directors feels optimistic about GPB's prospects and hopes to strengthen the Bank's leading positions in the Russian banking system.

### **Alexey B. Miller**

Chairman of the Board of Directors, GPB (OJSC)  
Chairman of the Management Board,  
OAO Gazprom

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# STATEMENT OF THE CHAIRMAN OF THE MANAGEMENT BOARD

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“2013 was another year  
of the Bank’s successful development”

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## Dear Shareholders, Customers and Partners of the Bank,

Looking back now, we can say with confidence that 2013 was another year of the Bank's successful development. Despite the unstable global economy and more stringent requirements of the regulator for risk and capital adequacy, GPB managed to ramp up its key business activities and improve the key financial indicators. Moreover, our growth rates were ahead of the banking system averages, which made it possible for GPB Group to increase its market share.

Corporate lending remains the Bank's core business. The Bank provides services to around 45,000 corporate customers, including backbone enterprises representing the basic industries of the Russian economy. Here, we rely on our competitive advantages, including our well-established financial base and large-scale banking operations, our stable position in the market, strategic partnership with major corporate customers, knowledge of their business, and the capability to provide comprehensive services considering the specific nature of each borrower. In the reporting year, the total volume of loans to corporate customers grew by 33% reaching the value of RUR 2.1 trillion. Commercial lending that demonstrated even a faster growth of 37% accounted for approximately  $\frac{3}{4}$  of this amount. It is important to note that such an impressive growth of loans did not affect the high quality of debts.

In our work we always follow the principle of satisfying the needs of our customers as the top priority. Therefore, considering the growing interest of our corporate customers in the cash flow optimization services, the Bank is continuously improving its cash management and cash pooling technologies. In the reporting year, the Bank introduced the upgraded Material Cash Pooling and Cross-Border Banking services to the existing range of payment and settlement products.

Another actively-promoted aspect of classic banking is the retail business. It is closely linked to the corporate segment as it is primarily targeted at employees of Gazprom Group and other large corporations. Simultaneously, the Bank is focused on progressive expansion of the retail customer base offering a competitive range of products, which includes mortgage and car loans, fixed-term deposits with various degrees of flexibility, banking cards and an increasing range of remote services. The Bank provides services to around 4 million individuals. We take the lead among Russia's largest banks in terms of annual growth rates for retail loans (37%). The amount of funds raised from the retail segment demonstrated a 25% increase, which is indicative of our customers' loyalty.

GPB pays special attention to the development of investment banking, where we can see tangible results, too.

GPB tops the list of Russian banks in the market for project and structured finance and investment lending. According to the IFRS statements as of the end of the reporting year, the Bank's loan portfolio in project financing totaled around RUR 300 billion versus RUR 180 billion in 2012 and RUR 80 billion in 2011. Almost four times as much in just two years! A vivid example of where investment goes is the space industry. Gazprombank, among other banks, finances the construction and launching of five medium- and heavy-class communications satellites. We enjoy active presence in the domestic market for mergers and acquisitions, where the Bank is one of the key players. In 2013, the Bank became one of the leaders by the number of announced M&A transactions. This is a remarkable achievement in such a promising and dynamic area of business.

Another area of business that is worth mentioning includes operations in international financial markets. In 2013, GPB acted as the lead manager in a syndicate of banks for the placement of Russian Eurobonds to a total value of USD 7 billion. In the same year, the Bank's Eurobonds totaling EUR 1 billion were placed, which was the largest transaction in the history of GPB's presence in capital markets.

The Bank's achievements in various areas of its business activity have been recognized with prestigious national and international awards.

The expansion of the business is closely linked with the mobilization of the required resources and unflinching compliance with the existing standards and requirements of the regulator. Efforts are made to strengthen the capital base of the Bank.

GPB has met all the requirements set by the Bank of Russia in the transition to the Basel regulatory framework, i.e. the Bank's capital adequacy is compliant with the standards effective as of 1<sup>st</sup> January 2014. As of the end of the past year, the Bank had investment-grade credit ratings from three largest international rating agencies — Moody's, Standard & Poor's, and Fitch Ratings.

GPB is consistently expanding its geographical coverage. In October 2013, GPB International S.A., a subsidiary bank, was opened in Luxembourg. The plan for 2014 is to set up a financial company in Hong Kong and a representative office in Kazakhstan. The Bank's business development in the Eastern regions both abroad and locally is of high importance.

In conclusion, I would like to note that the formula of the Bank's success is a combination of the team's professionalism, and understanding and support from the shareholders and the Government. The Bank will keep striving to implement strategically important projects and achieve the objectives set by the shareholders.

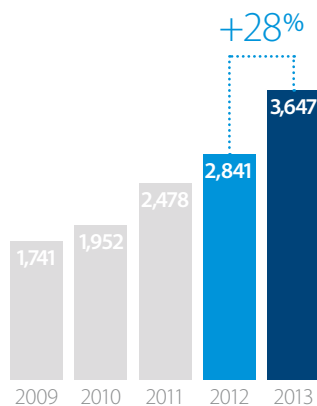
With best wishes for prosperity and business success,

**Andrey I. Akimov**

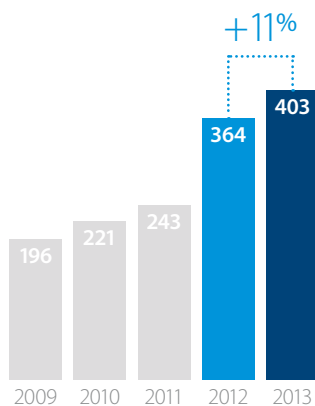
Chairman of the Management Board of GPB (OJSC)

# KEY PERFORMANCE INDICATORS

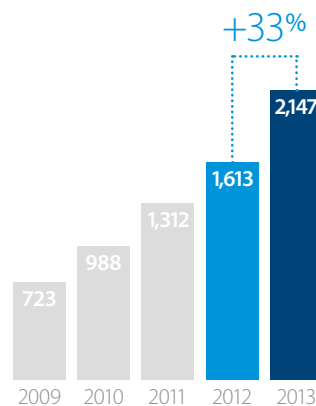
Assets, RUR billion



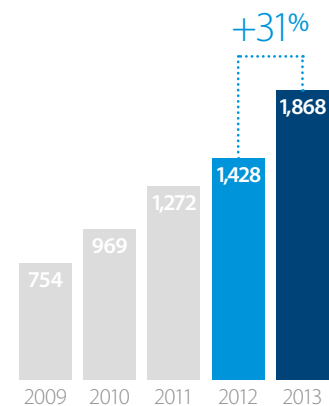
Equity (capital), RUR billion



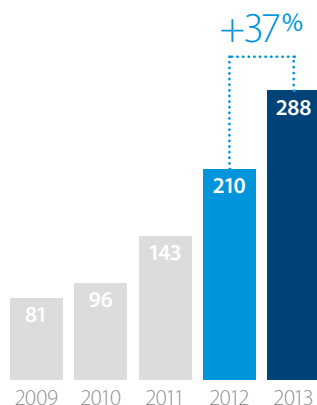
Loans provided to corporate customers before deducting loan loss provisions, RUR billion



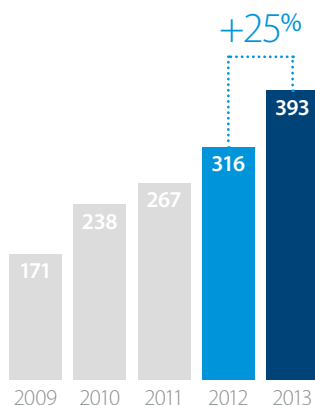
Amounts owed to corporate customers, RUR billion



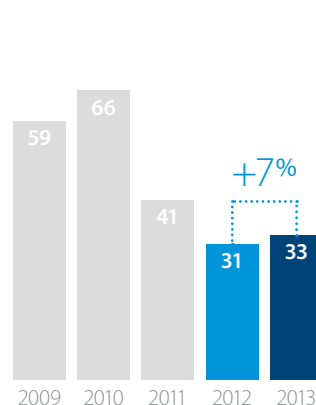
Retail loans before deducting loan loss provisions, RUR billion



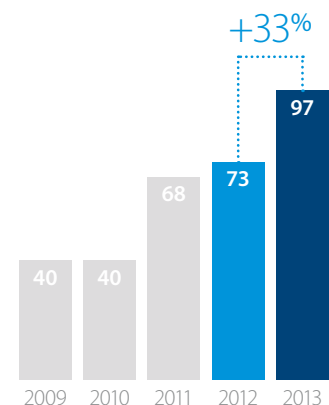
Amounts owed to individuals, RUR billion



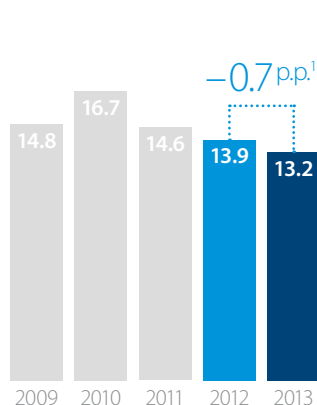
Net profit, RUR billion



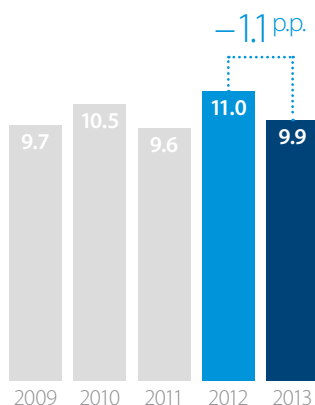
Operating income (normalized), RUR billion



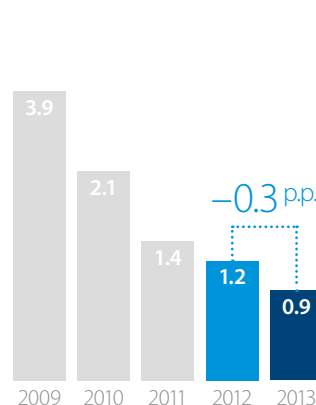
Capital adequacy (Basel I, II), %



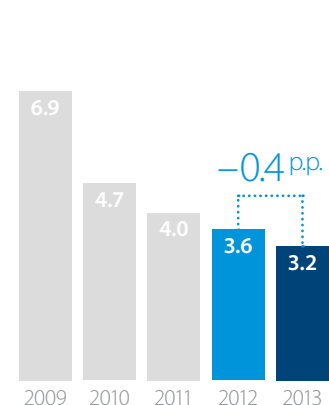
Tier 1 capital adequacy (Basel I, II), %



Ratio of non-performing loans to loan portfolio, %



Ratio of loan loss provisions to loan portfolio, %



<sup>1</sup> p.p. — percentage points





THE VOLUME OF FUNDS RAISED  
BY GAZPROMBANK FROM CORPORATE  
CUSTOMERS IN 2013 TOTALED  
RUR 1.9 TRILLION

*31% up on the previous year, which exceeds the average growth  
rates in the national banking system*



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**MAIN RESULTS  
FOR THE YEAR  
AND BUSINESS  
DEVELOPMENT  
OBJECTIVES**

## EXTERNAL ENVIRONMENT

In 2013, the Russian economy increased its share in global GDP to 2.9% despite the stagnation of export income.

The fundamental conditions for global economic growth remained unstable in 2013, and economic growth slowed down from 2.5% to 2.4%. The extremely weak growth of the advanced economies during the first 6 months of 2013 was balanced by acceleration in the second half of the year. By that time, the European economy had recovered from a recession and the US economy had regained its stable growth.

A high level of unemployment and a decrease in the rate of inflation in developed countries (from 2.0% down to 1.4% per annum) facilitated further adherence to the ultra-soft monetary policy by the leading central banks. This contributed in a higher demand for debt instruments from the developing countries in the first half of the year. In the second half, the expectations for the FRS monetary programs (QE) to close up caused dramatic changes in the world's financial market: the demand for debt instruments went down, and the bond yield rose. Some extra pressure on developing markets came from their slowed growth, which boosted capital outflow and caused depreciation of currencies against the US dollar by 7% to 19%. The Russian financial market, even more open due to the liberalization of the market for federal loan bonds, became exposed to these factors as much as other developing countries. Thus, the yield from long-term government bonds increased from 7% to 7.9% in 2013, coming

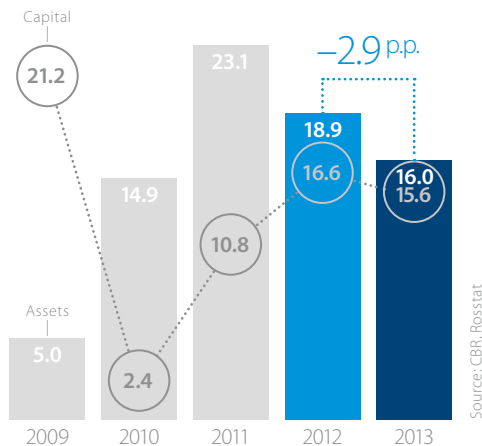
back to levels rather typical of 2012. The MICEX Index saw just a slight growth (2%). The ruble depreciated by 7.5% against the US dollar and by 10% against the dual-currency basket. In 2013, the current account lost the stabilizing effect it had on the ruble until recently. The slide-down of annual average Brent prices by 2.7% caused export income to shrink from USD 528 to 521 billion. The continued increase in import operations and repayment of investment income made the balance of the current account go down from USD 72 to 33 billion (1.6% of GDP).

With export income being stagnant, the economic growth was nearly all due to increased volumes of services in the financial area, as well as real estate and retail business (0.8 p.p. out of 1.3% of GDP growth). The Industrial Production Index (IPI) increased by 0.4%. The economic growth was accompanied by deceleration of real wages in the public sector (down to 4.7%) and customer lending (down to 29%). Deceleration in the growth of the loan portfolio resulted from market saturation and the use of a limiting policy by the Bank of Russia aimed to maintain financial stability.

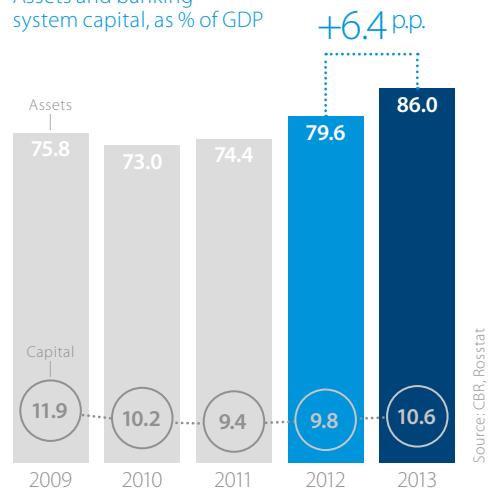
In 2013, the Bank of Russia went on to follow the policy of transition to inflation targeting and free floating of the ruble. The neutral range of the dual-currency basket operational band, free from the regulator's interventions,



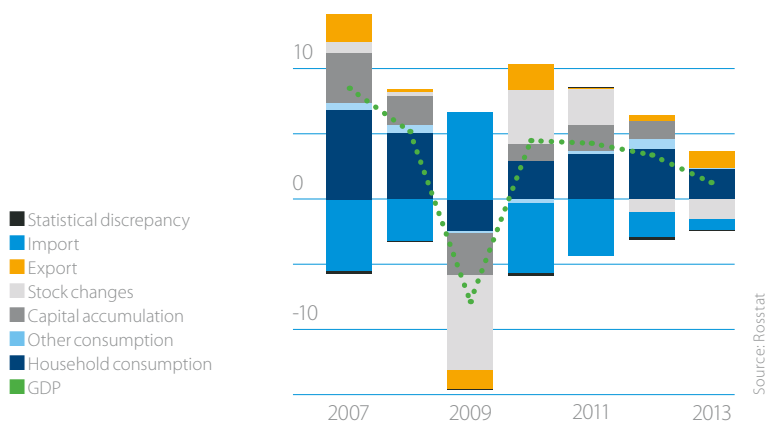
Growth of assets and banking system capital, as % year on year



Assets and banking system capital, as % of GDP



GDP growth in Russia by consumption patterns, p.p.



was opened out from 1 to over 3 rubles. The refinancing rate, which ceased to reflect the actual value of refinancing completely in 2013, was replaced by the key rate (REPO rate). The weakening of the ruble resulted in a less effective decrease in the rate of inflation (6.5%) than it was expected, and this caused the key rates of the Bank of Russia to remain fixed throughout the year.

The Bank of Russia started conducting liquidity auctions secured with non-marketable assets and guarantees. This helped to ease the tension from progressive exhaustion of the banks' liquid assets. Therefore, the average weighted value of borrowings from the government went down from 6.3% to 5.8%, coming even nearer

to the lower range of rates at which the Bank of Russia provides liquidity (5.5%). The conduct of these auctions helped to form a sufficient collateral pool for a long time.

By the end of the year, the share of funds raised from the regulator and public accounts of all levels had become record-breaking (11%, RUR 6 trillion).

The results of the year 2013 for the banking system:

- Total assets increased by 16% and amounted to RUR 57.4 trillion (86% of GDP);
- Capital exceeded RUR 7.0 trillion (a 15.6% growth);
- Capital adequacy remained at a safe level (13.5%).

Following the reassessment of risks relating to credit organizations, some portion of retail deposits migrated to more reliable banks, which resulted in a more consolidated banking system. Despite the slowdown in the economic development, the banking system managed to maintain stability. Outstanding debt of the non-financial sector shrank from 4.5% to 4.3% of the loan volume. The share of investments financed with banks' funds reached its peak since 2009 and amounted to 9.3% (1.3% of GDP). This is evidence of the high quality of management in the banking system and of its tangible contribution to stable economic development.

# FINANCIAL PERFORMANCE

The Group's assets amounted to RUR 3,647.0 billion in the reporting period demonstrating a 28.4% growth rate, which is higher than that of Russia's entire banking industry.

The main indicators of GPB Group's financial performance are specified below in accordance with its IFRS Consolidated Financial Statements for 2013 (RUR billion, unless otherwise stated)

	31 Dec 2013	31 Dec 2012	Change in 2013
Assets	3,647.0	2,841.0	+28.4%
Equity (capital)	403.1	363.5	+10.9%
Loans provided to corporate customers <sup>1</sup>	2,147.0	1,613.0	+33.1%
Retail loans <sup>1</sup>	287.6	210.3	+36.8%
Securities <sup>2</sup>	419.8	330.3	+27.1%
Amounts owed to corporate customers	1,867.5	1,427.5	+30.8%
Amounts owed to individuals	393.3	315.5	+24.7%
Borrowings from capital markets <sup>3</sup>	396.5	313.6	+26.4%
Subordinated deposits	97.1	57.4	+69.2%
	<b>2013</b>	<b>2012</b>	<b>Change in 2013</b>
Net profit	33.0	30.9	+6.8%
Comprehensive income	33.9	27.3	+24.2%
	<b>31 Dec 2013/ 12 months of 2013</b>	<b>31 Dec 2012/ 12 months of 2012</b>	<b>Change in 2013</b>
Capital adequacy <sup>4</sup>	13.2%	13.9%	-0.7 p.p.
Tier 1 capital adequacy <sup>4</sup>	9.9%	11.0%	-1.1 p.p.
Ratio of non-performing loans <sup>5</sup> (NPL) to loan portfolio	0.9%	1.2%	-0.3 p.p.
Ratio of loan loss provisions to loan portfolio	3.2%	3.6%	-0.4 p.p.
Ratio of loans provided to customers <sup>1</sup> to amounts owed to customers	107.7%	104.6%	+3.1 p.p.
Net interest margin <sup>6</sup>	3.2%	2.9%	+0.3 p.p.
Ratio of operating expenses to operating income <sup>7</sup>	47.1%	46.9%	+0.2 p.p.

<sup>1</sup> Before deducting loan loss provisions.

<sup>2</sup> Including securities for trading, investments available for sale, investments in associates and investments held to maturity.

<sup>3</sup> Including bonds issued and syndicated interbank loans.


<sup>4</sup> According to recommendations issued by the Bank for International Settlements (Basel II simplified standardized approach).

<sup>5</sup> Loans are qualified as non-performing if their principal amount or interest is overdue for 90 days or longer.

<sup>6</sup> The ratio of net interest income generated in the reporting period to average interest-earning assets as of the end of each quarter in the reporting period. Interest-earning assets include fixed-term deposits in banks, loans provided to customers and debt securities (all before deducting loan loss provisions).

<sup>7</sup> Operating expenses include salary and other payments to personnel, and administrative expenses relating to banking activities. Operating income includes net interest income, non-interest income and operating profit from non-banking activities.





**IN 2013, THE PROJECT OF A SYNDICATED  
EXPORT FINANCE FACILITY FOR THE SUPPLY  
OF A GAS TURBINE GENERATOR TO "TERMOGAS  
MACHALA" POWER PLANT (ECUADOR) INVOLVING  
GAZPROMBANK WAS RECOGNIZED  
THE DEAL OF THE YEAR,**

*As reported by the reputable Trade Finance Magazine.*

*This annual award is granted to the largest and most important  
projects in the global market for trade finance*

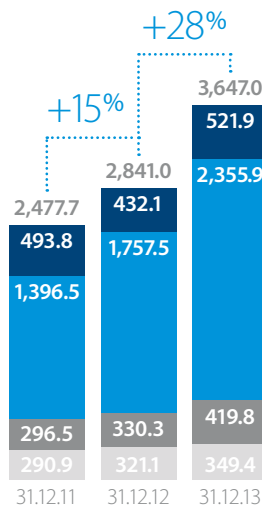


<sup>1</sup> Cash and cash equivalents include ready cash, cash deposits with the Central Bank of Russia, and cash deposits with other banks (with maturities less than 3 months).

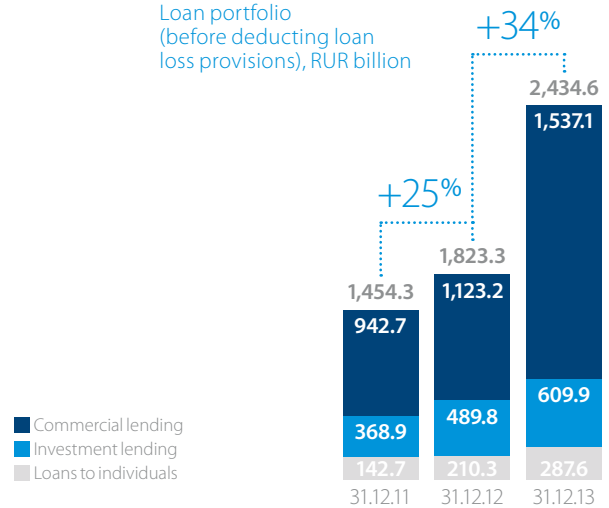
<sup>2</sup> Securities include financial assets for trading, investments available for sale, investments in associates, investments held to maturity and (only for 2011) investments in associates held for sale.

■ Cash and cash equivalents<sup>1</sup>  
 ■ Net loans to customers  
 ■ Securities<sup>2</sup>  
 ■ Other assets

Assets, RUR billion



Loan portfolio (before deducting loan loss provisions), RUR billion



In 2013, GPB Group continued to expand its operations in accordance with the adopted development strategy until 2015. The strategy provides for:

- further strengthening of the Group's positions in the financial sector;
  - growth of stable income generated from banking activities;
  - effective cost management;
  - maintaining a conservative risk appetite.
- The top-priority areas of development include:
- lending operations;
  - expansion and diversification of the resource base;
  - improvement of marginal values while maintaining high quality of assets and comfortable capital adequacy levels.

The year 2013 was characterized by increasing macroeconomic uncertainty, introduction of the regulations issued by the Bank of Russia concerning capital adequacy, and relative growth of credit risks in the national banking system.

### Progressive growth of the Group's banking business

In 2013, GPB Group outperformed both immediate competitors and the entire banking system in terms of asset growth rates.

Assets demonstrated a 28.4% annual growth totaling RUR 3,647.0 billion

(as of 31 December 2013), which was primarily driven by an increase in lending operations. The loan portfolio growth rate was 34.0% ahead of assets. By the end of 2013, the loan portfolio had reached RUR 2,355.9 billion (less loan loss provisions).

The share of the loan portfolio in the Group's assets increased from 61.9% (as of 31 December 2012) to 64.6% (as of 31 December 2013). This had a positive impact on net interest margin.

The major scope of GPB Group's lending operations is attributable to the leading and large-size local enterprises. Those dominate in the strategically important sectors of the national economy, such as metallurgy, oil and gas, transport, etc.

Corporate lending (before deducting loan loss provisions) demonstrated a 33.1% increase and totaled RUR 2,147.0 billion (88.2% of the total loan portfolio) in 2013.

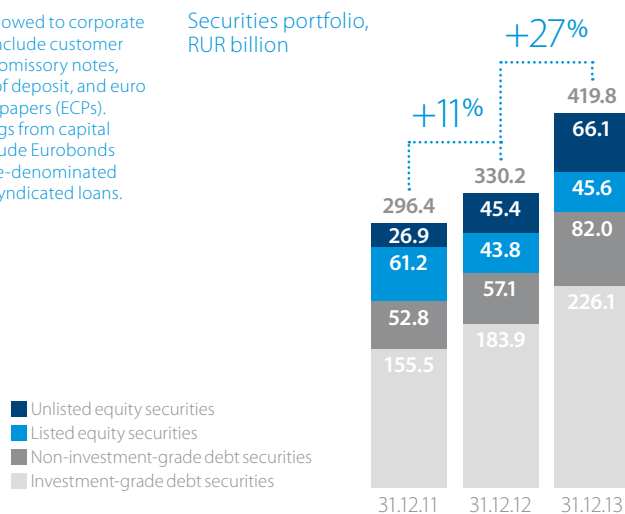
In the reporting period the Bank ramped up commercial lending by providing funds to enterprises to finance their current operations (36.8% up on the previous year). The volume of long-term investment lending went up as well.

Investment financing (including acquisition financing, equity-backed financing and project financing) increased by 24.5%.

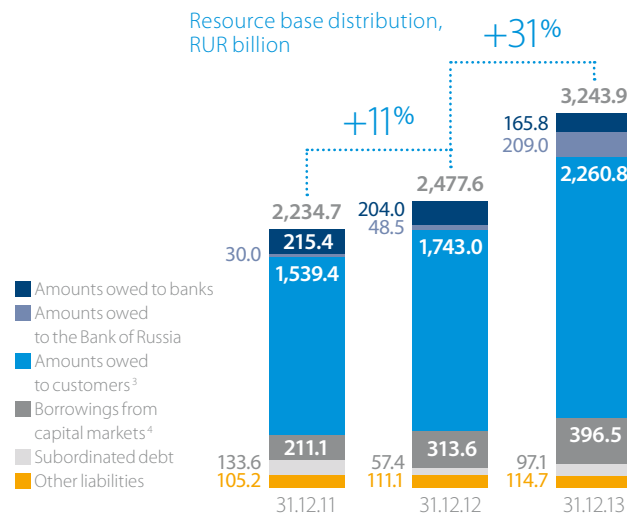
<sup>3</sup> Amounts owed to corporate customers include customer accounts, promissory notes, certificates of deposit, and euro commercial papers (ECPs).

<sup>4</sup> Borrowings from capital markets include Eurobonds issued, Ruble-denominated bonds and syndicated loans.

Securities portfolio, RUR billion



Resource base distribution, RUR billion



The volume of retail loans rose to RUR 287.6 billion as of the end of 2013 (36.8% growth).

Loans to individuals accounted for 11.8% of the Group's total loan portfolio. Mortgage loans are prevalent here (68.1% of the retail loan portfolio), which is indicative of the conservative risk profile for loans to individuals.

Consumer loans are primarily provided to the employees of the Group's corporate customers. The share of such loans amounts to 25.3% of the retail loan portfolio.

The growth rates of GPB Group's lending operations outstripped the banking system averages. According to the Bank of Russia, the average growth rate for corporate lending for 12 months of 2013 was 12.7%. While the average growth rate for retail loans in the banking sector was 28.7%.

During 2013, GPB Group's securities portfolio went up by 27.1% (to RUR 419.8 billion), primarily due to increased investment in corporate debt securities of high-rated Russian issuers, as well as government bonds.

As a result, at the end of 2013 fixed income instruments accounted for 73.4% of the Group's securities portfolio. They were used to manage liquidity while ensuring acceptable yield.

The securities portfolio accounted for 11.5% of the Group's assets.

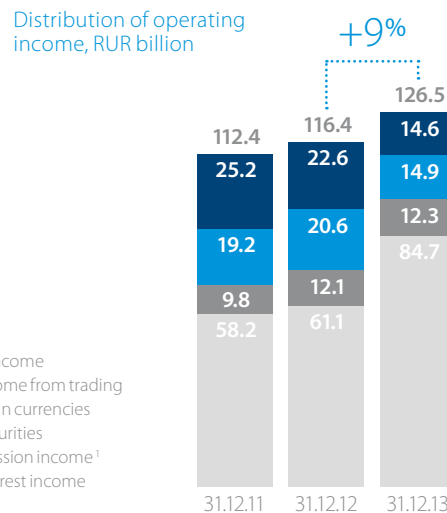
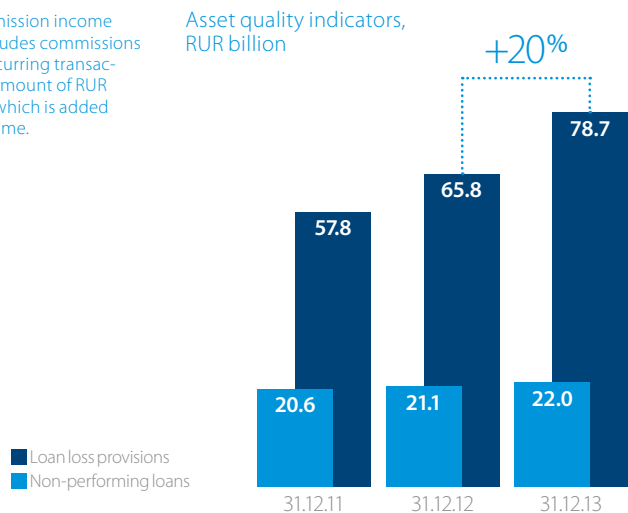
Traditionally, the core of the Group's resource base is represented by the funds raised from corporate and retail customers. As of year-end 2013, their share was 69.7% of total liabilities. The customer segment is mainly represented by large-size and major Russian corporations and individuals being employees of these companies. Altogether, they ensure stable growth of funds in customer accounts. As of December 31, 2013, corporate funds totaled RUR 1,867.5 billion (30.8% up on the previous year), while amounts raised from individuals grew by 24.7% totaling RUR 393.3 billion.

The volume of borrowings from capital markets, including bond issues at international and Russian capital markets, as well as syndicated loans, increased by 26.4% during the year totaling RUR 396.5 billion as of 31 December 2013. For several years now, the share of borrowings from capital markets in the Group's liabilities has remained stable. As of year-end 2013, it was 12.2%.

The borrowings are well-diversified in terms of maturity. This approach makes the Group's dependence on such resources generally insignificant.

During the second half of the year, the Group increased the volume of funds raised from the Bank of Russia.

<sup>1</sup> Net commission income for 2011 excludes commissions from non-recurring transactions in the amount of RUR 12.1 billion, which is added to other income.



As of 31 December 2013, securities-based and loan-based borrowings totaled RUR 209.0 billion.

The share of operations involving the Bank of Russia in the Group's liabilities was 6.4%. The actual volume of financing received by the end of 2013 accounted for about twice as little as the amount authorized by the Bank of Russia.

### High asset quality

The Group continues to demonstrate stable asset quality indicators despite the fast expansion of the loan portfolio.

As of year-end 2013, the ratio of non-performing loans (NPL) to loan portfolio was 0.9%. The ratio of loan loss provisions to loan portfolio was 3.2%. Therefore, the available loan loss provisions ensure a 3.5 NPL coverage ratio.

Around 70% of loan debt owed by GPB Group's corporate customers is secured with a pledge or third-party guarantees.

75% of GPB Group's retail loan portfolio also represents secured financing.

### Growth of stable income

The Group's net profit in 2013 totaled RUR 33.0 billion, which is 6.8% up on the previous-year value (RUR 30.9 billion). Comprehensive income, including revaluation of non-trade investments and operations of the Group's foreign subsidiaries, amounted to RUR

33.9 billion in 2013. Therefore, it demonstrated a 24.2% increase versus 2012 (RUR 27.3 billion). The Group's income from core commercial and banking activities, including net interest and net commission income, grew by 32.4% versus 2012 reaching the value of RUR 97.0 billion. During the reporting year its share in the Group's operating income increased from 62.9% (in 2012) to 76.7%. As of year-end 2013, net interest margin was 3.2% demonstrating a 0.3 p.p. growth compared to the similar year-end indicator for 2012.

The progressive improvement of the Group's percentage-based indicators is a result of successful efforts aimed at minimizing the cost of its resource base and optimizing the structure of the Group's interest-bearing assets. The latter accounted for 79.4% of the Group's total assets as of the end of 2013.

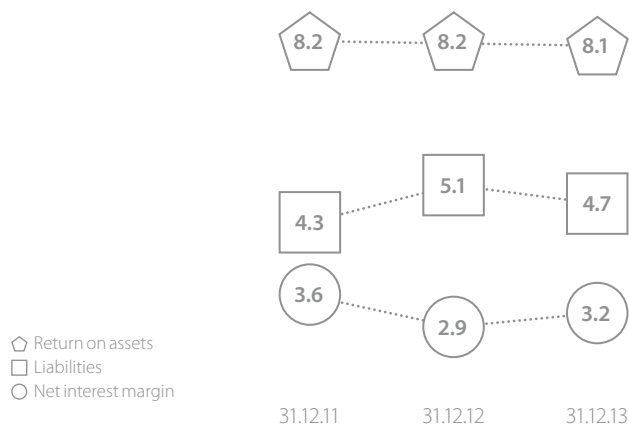
The unfavorable conditions observed during the year in the financial markets resulted in a certain reduction of gains from trading in securities and foreign currencies. By the end of 2013, this income totaled RUR 14.9 billion (versus RUR 20.6 billion in 2012). Thus, in 2013 the Group's operating income increased by 8.5% versus 2012 and reached RUR 126.5 billion.

### Internal efficiency

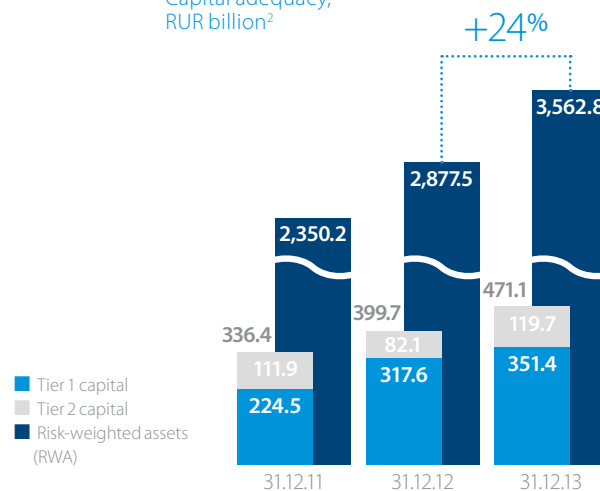
Despite the substantial increase in the scope of the Group's banking operations in 2013, the managerial efforts made to optimize

<sup>2</sup> Calculated according to Basel II recommendations and based on IFRS Consolidated Financial Statements.

#### Operating profitability, RUR billion



#### Capital adequacy, RUR billion<sup>2</sup>



operating expenses kept the growth of the Group's expenses as low as 9.0% versus 2012. This allowed maintaining almost the same ratio of operating expenses to operating income as in the preceding year. The ratio was 47.1% in 2013 (versus 46.9% in 2012).

### Maintaining acceptable levels of capital adequacy

The Group's capital calculated as per IFMS in compliance with the requirements of the Basel Accords (Basel II) went up by 17.8% during 2013 and reached RUR 471.1 billion.

The following contributed to capital growth:

- profits received by the Group;
- sale of some of the treasury stock to one of the Group's shareholders (Non-State Pension Fund GAZFOND);
- borrowing of Tier 2 capital instruments (subordinated bonds) from capital markets.

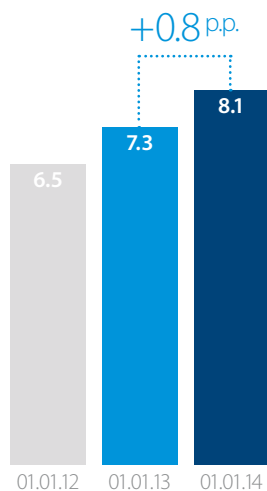
In addition, there was an improvement in the structure of regulatory capital calculated according to the requirements of the Bank of Russia. This was driven by bringing the terms of subordinated borrowings issued previously in compliance with the regulator's requirements while implementing Basel III standards in Russia. As of the year-end 2013, Tier-1 capital adequacy computed according to the Basel Accord II was 9.9% (versus 11.0% as of 31 December 2012). Total capital adequacy was 13.2% (versus 13.9% at the end of 2012).

Some decline in these indicators by the end of 2013 is attributable to the active expansion of the Group's loan portfolio throughout the year. At the same time, the Group maintains comfortable levels of capital adequacy and fulfills all the new requirements for capital adequacy set by the Bank of Russia.

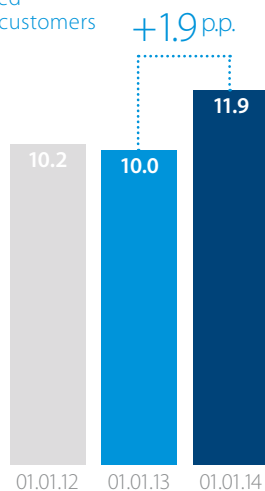
# POSITIONING AND RATINGS

GPB's market share, %

Loans



Amounts owed to corporate customers

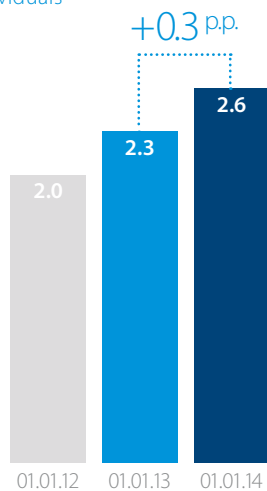


## Positioning

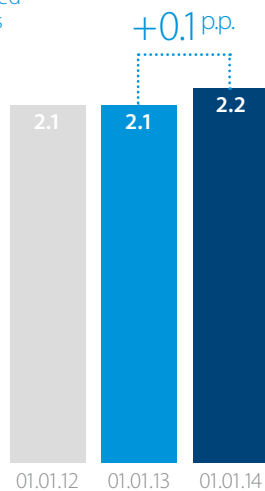
As of year-end 2013, Gazprombank ranks third in the Russian banking system in terms of capital, assets, and loans provided to corporate customers being non-financial organizations (according to Interfax-100. Banks of Russia).

By the volume of loans to individuals, the Bank ranks Russia's fifth, taking the lead among major local banks by the rates of growth for this portfolio.

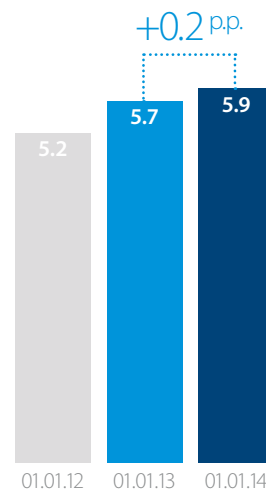
Loans to individuals



Amounts owed to individuals



Capital



In 2013, GPB (OJSC) went on to develop its core operations at rates outstripping those of the Russian banking system. This enabled the Bank to expand its market share consistently, primarily due to the corporate segment.

Growth rates in 2013: GPB (OJSC) vs. Russian banking system, %

	Assets	Capital	Loans to corporate customers	Loans to individuals	Amounts owed to corporate customers	Amounts owed to individuals
Banking system <sup>1</sup>	16	16	16	29	13	19
GPB (OJSC)	28	11	33	37	31	25

<sup>1</sup> According to CBR's Bulletin of Banking Statistics.



## Ratings

In March 2013, Fitch Ratings assigned a long-term Issuer Default Rating (IDR) at 'BBB-' for Gazprombank.

This rating means that Fitch finds the Bank quite likely to be supported, if necessary, by the Russian Federation or other government-controlled structures (most probably, by OAO Gazprom, the Bank's founder and major shareholder).

In its assessment, the agency considered the following factors:

- GPB's high systemic importance in the banking system;
- a high level of state control and supervision exercised over the Bank through quasi-public institutions;
- a good record of support for the Bank;
- high reputation risks in case of default for the Russian authorities and publicly controlled shareholders of the Bank.

With these Fitch ratings, the Bank now has investment-grade ratings from all the leading international rating agencies.

As of 1 January 2014, the following long-term credit ratings were affirmed for Gazprombank:

**Moody's Investors Service, Moody's Interfax:**

**Baa3** (long-term foreign-currency deposit rating) — stable outlook;

**Aaa.ru** (long-term national scale rating) — stable outlook.

**Standard & Poor's:**

**BBB-** (long-term foreign currency credit rating) — stable outlook;

**ruAAA** (long-term national scale rating) — stable outlook.

**Fitch Ratings:**

**BBB-** (long-term foreign-currency issuer default rating) — stable outlook;

**AA+ (rus)** (national scale rating) — stable outlook.

**Expert RA:**

**A++** (national scale creditworthiness rating).



**IN 2013, GAZPROMBANK TOOK  
THE FIRST PLACE AMONG OTHER RUSSIAN BANKS  
IN THE INTERNATIONAL RATING OF LEAD  
MANAGERS FOR THE PLACEMENT OF EUROBONDS  
ISSUED BY RUSSIAN BORROWERS**

*The Bank maintains its leading position among other lead managers  
for the placement of Eurobonds issued by the largest Russian  
companies operating in various industries*



# BUSINESS DEVELOPMENT STRATEGY UNTIL 2015

In December 2010, the Board of Directors approved main objectives for the development of GPB Group's business through 2015. GPB Group's strategy provides for balanced, long-term and stable development with organic growth of the business, and is designed to increase shareholder value of the Group as a whole and of its individual participants.

In the period from 2011 through 2013, the Group designed a number of strategies aimed to develop its core business activities. Their main purpose is to identify ways to ensure that target indicators are achieved in an ever-changing economic environment. While streamlining the strategic planning process, during the same period GPB also designed a mechanism that helps to react flexibly to external challenges and adapt to new regulations. This mechanism provides for well-timed adjustment of individual business strategies accordingly.

The Group's main objectives through 2015 remain as follows:

- maintain and strengthen the Bank's position in the banking sector (among the top three in the Russian banking system in terms of assets);
- optimize the Bank's business structure to improve profitability and stability of income, i.e. expand the most profitable banking business lines and increase the share of stable income, including commission fees, in the Group's aggregate revenues;
- strengthen the capital base and optimize the base structure to meet all the requirements of the national regulator.

The strategy implementation process is aggravated by the deterioration of macroeconomic and market conditions. Despite this, the Bank does its best to complete strategic objectives set by the Board of Directors.

This can be done by improving performance of all business units, primarily through strengthening the positions in the most marginal segments of the banking business (investment lending and lending to medium-sized businesses), as well as by optimizing the structure of the Bank's branch network and expanding the range of products offered to customers. The Bank's success in the corporate segment depends much on the growth of its commercial loan portfolio, which can be achieved, inter alia, through the utilization of the Bank's competitive advantages, such as:

- strategic partnerships with large corporate customers;
- a stable position of the Bank in the market;
- experience in providing comprehensive services to large and major customers in accordance with the specific nature of their business;
- maintaining high quality of the loan portfolio.

GPB's intention is to develop partnerships with medium-sized businesses, mainly in the Bank's regions of presence. Expansion

of business with medium sized corporate customers provides good prospects for GPB Group in terms of interest margin and diversification of its loan portfolio.

At the same time, the Bank intends to attract most promising and reliable borrowers with a credit rating that meets the stringent requirements for risk management.

The Bank plans to increase its scope of investment lending and special-purpose finance in a progressive way. Considering inherent risks, the Bank tends to adjust new investment programs in favor of the most promising sectors that are less dependent on the cyclic nature of economic development, as well as of the sectors supported by the government on a long-term basis. It is also planned to promote infrastructure financing and participate in projects implemented in the form of public-private partnerships.

As of today, GPB (OJSC) is one of the leaders among Russian banks implementing projects through public-private partnerships (PPP).

The Bank's specialists have a significant experience in the development and financing of projects at various stages, including:

- project development from concept design to the bidding stage;
- financial advisory services;
- fund-raising;
- lending;
- participation in equity of project companies.

In view of the fact that governmental authorities become increasingly interested in projects implemented through PPP mechanisms, in 2013 a dedicated division (PPP Center) was set up within the Bank to provide expert support in the field of legislation concerning PPPs and project structuring.

The Bank maintains active communication with the top management of public companies implementing large-scale infrastructure projects, as well as with local authorities in the regions of Russia where there is demand for social projects (construction

of kindergartens and schools, sports and healthcare facilities), as well as transport, housing and utilities projects.

Thanks to its efforts, the Bank was the first in Russia to finance a project associated with the construction of social infrastructure facilities under regional PPP laws — construction of kindergartens in the Tomsk Region.

Currently, there is ongoing cooperation for implementation of PPP projects with the Moscow, Leningrad, Novosibirsk, Tomsk Regions, the Komi Republic, Yamalo-Nenets and Khanty-Mansi Autonomous Districts, and other regions of Russia. Reacting flexibly to the changing needs of its customers, the Bank will go on to develop its investment banking business, services associated with the raising of debt capital and equity and financial advisory services offered to its customers in relation to GPB's investment projects and transactions. The Bank expects to keep increasing its retail loan portfolio at stably high rates. The Bank's retail customer base consists primarily of the employees of corporate customers, as well as individuals with high and middle levels of income. Key options for developing the Bank's retail business in this segment include the offering of secured banking products such as mortgages and car loans. Using the experience gained from cooperation with Gazprom Group and other major Russian corporations, the Bank plans to expand the range of services relating to consumer loans and issue of credit cards for employees of its corporate customers involved in payroll programs.

Further plans include the promotion of sales through diversification of distant banking functions and regional work. The Bank also intends to improve the quality of its services to individuals in a variety of ways, including standardization of business processes and products in all outlets.

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To address the task of ensuring conservative growth of the value of its investment portfolio relating to various industries, including strategically important ones, the Bank, along with its partners, makes efforts to implement a number of measures to enhance the investment attractiveness of available assets and improve potential for their future disposal. To ensure growth of the Group's assets until 2015, closer attention should be paid to the formation of a balanced resource base, primarily through optimizing the value

of interest-bearing liabilities and ensuring a comfortable level of liquidity at the same time. To achieve this, the Bank is focused on diversification of its funding sources in terms of currency, products and geography.

The top-priority tasks for GPB include:

- upgrading information technologies and processes;
- raising financial efficiency.

# PARTICIPATION IN FEDERAL AND REGIONAL PROGRAMS AND NATIONAL PROJECTS

As the leader in the implementation of projects in the form of public-private partnerships, the Bank cooperates closely with Russian ministries and agencies, as well as takes an active role in the Public Advisory Council for Coordination and Communication between Moscow Government and Credit Institutions.

## Full-year results for 2013

GPB (OJSC) provided active assistance to the Public Advisory Council for Coordination and Communication between Moscow Government and Credit Institutions in the following areas:

- providing support and developing entrepreneurship in Moscow, including small- and medium-sized businesses;
- implementing investment projects of Moscow through a variety of mechanisms, including public-private partnerships;
- implementing municipal and social projects of Moscow;
- improving availability of credit resources and banking guarantees for public contracts;
- promoting competition in the market for banking services provided to Moscow authorities;
- employing the Bank as a leasing advisor for industrial enterprises.

As far as project finance is concerned, in 2013 the Bank took part in the development and implementation of the following nationally important projects: construction of the South Stream gas pipeline, the Central Ring Road of Moscow and M-11 highway, as well as the Northern Latitudinal Railway; the development of gas fields and the construction of a gas liquefaction plant in Yamal, etc.

As part of the State Program for Agricultural Development and Regulation of the Market for Agricultural Products, Raw Materials and Food, GPB (OJSC) participates

in the financing of investment projects in such areas as pig and poultry farming and grain processing, as well as dairy cattle production, initiated by large Russian agricultural holdings, including Exima Agricultural Holding, Cherkizovo Group, Siberian Agrarian Group (SAG), Miratorg, etc. The total credit risk exposure limit set by the Bank for these projects is RUR 84 billion.

## Key objectives for 2014–2015

1. Sign and implement an Agreement for Cooperation between GPB (OJSC) and the RF Ministry of Industry and Trade to assist in the implementation of government support initiatives to stimulate industrial production, increase financing and improve lending conditions for the industrial sector.
2. Participate in the establishment and operation of the independent non-profit organization Foreign Trade Research and Information Center jointly with the RF Ministry of Industry and Trade, State Corporation Rostekhnologii, JSC United Aircraft Corporation and Plekhanov Russian University of Economics. This center is designed to facilitate the development of the national industry in a globalized economy, to provide information support to Russian organizations from various industries as they conduct foreign trading operations, and to ensure inter-sectoral balance through integrated solutions in the field of foreign economic and trading policies.
3. Enhance GPB's role in the work of the Public Advisory Council under the Moscow Government.



A construction site at sunset. The sky is a mix of blue and orange. A large crane is visible in the upper left. In the foreground, there are silhouettes of buildings under construction, with rebar visible on the roofs. A semi-transparent blue and green graphic overlay is on the right side of the image, containing text.

**IN 2013, PPP CENTER WAS SET UP AS PART  
OF THE GAZPROMBANK ORGANIZATION.  
THIS BUSINESS UNIT IS SPECIFICALLY DESIGNED  
TO PROVIDE EXPERT SUPPORT CONCERNING  
PPP LEGISLATION AND PROJECT STRUCTURING**

*The Bank actively cooperates with public corporations  
that implement large-scale infrastructure projects, as well  
as the local authorities in the regions of Russia*

# 02

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## STABLE DEVELOPMENT



## CUSTOMER BASE

Providing comprehensive banking services to corporate customers remains the main area of GPB Group's business.

Gazprombank provides services to about 45,000 corporate customers. These include major backbone enterprises operating within the basic industries of the Russian economy, such as gas, nuclear, metallurgy, coal mining, machine building, defense, electric power, oil, chemical, agriculture, trade and finance, and housing and public utilities.

Presently, one of new priority areas of business is the development of operations in the medium-sized business segment. By the end of 2013, amounts raised from corporate customers had increased by 30.8% totaling RUR 1,867.5 billion. GPB (OJSC) has been the key strategic partner of Gazprom Group for more than 20 years now. Cooperation with this major customer and shareholder has been developing in all aspects of the banking business, including such an important area as settlement products. During the reporting year, the Bank implemented and upgraded the Cross-Border Banking services, material cash pooling, etc. Close cooperation with the Group's major contractors continued under OAO Gazprom's investment program.

The Bank's partnerships with major independent gas producers, such as NOVATEK (OJSC), Itera (LLC), and Northgas (CJSC), were intensive, too. The Bank participated in the project for development of the West Dome of the North Urengoy gas condensate field (operated by Northgas) in the Yamal-Nenets Autonomous District,

acted as a financial adviser to such projects as the South Stream and Yamal LNG.

In 2013, the Bank continued to finance investment projects on the upgrading and modernization of the existing production facilities, as well as infrastructural projects initiated by major holdings representing the Russian energy industry. As part of the well-established partnerships with the leaders of the oil, petrochemical and power industries, Gazprombank actively develops business operations involving subsidiaries and associates of major industrial groups. GPB (OJSC) is a backbone bank in the national nuclear industry. The Bank occupies leading positions in the servicing of cash flows of State Atomic Energy Corporation ROSATOM.

Gazprombank participated in a number of major nuclear projects, including:

- financing of the transaction for reverse split of 100% stock in the Canadian-based uranium producer Uranium One Inc.;
- placement of Series 2 ruble-nominated bonds issued by Uranium One Inc. to the total nominal value of RUR 12.5 billion;
- completion of transactions involving financial derivatives for the purposes of reducing costs and mitigating currency risks.

The Bank is a strategic partner and the main settlement bank of the Federal Special Construction Agency of Russia.

In accordance with the Russian Government's decree, GPB (OJSC) has become the only

The Bank has strengthened its business partnerships with trading and pharmaceutical enterprises. Besides, a number of projects have been implemented to support the local tourism industry, as well as social and sports organizations.

bank awarded the public services contract on supporting the implementation of public design and construction contracts relating to ground-based space infrastructural facilities of the Vostochny Spaceport.

In 2013, Gazprombank significantly strengthened its presence in metallurgy and coal mining. GBP maintains active business relations with most of the Russian metallurgical enterprises, such as United Company RUSAL, Mechel (OJSC), Metalloinvest Holding (OJSC), TMK (OJSC), United Metallurgical Company (OMK), Chelyabinsk Pipe-Rolling Plant and Pervouralsk New Pipe Plant (ChelPipe Group), Norilsk Nickel (OJSC), Magnitogorsk Iron & Steel Works (MMK), Novolipetsk Steel (NLMK). The Bank is rightfully considered a pillar of this industry's further growth. GPB (OJSC) has established partnerships with all major coal-mining groups in Russia, including Siberian Coal Energy Company (SUEK), Siberian Business Union (SBU), Kuzbassrazrezugol (KRU), and Russian Coal (OJSC). The Bank contributes to the development of the production capacity and performance of existing enterprises.

Gazprombank significantly consolidated its position in transport and infrastructure. The scope of project finance for Russian Railways increased and the range of banking products used by major Russian airlines, ports and shipping companies expanded.

The Bank substantially diversified its products for the leading communications corporations, including MTS (OJSC), Rostelecom (OJSC) and TransTelekom (CJSC).

GPB (OJSC) has a strong lead over other banks in the road construction industry. The total

scope of public contracts for construction of transport infrastructure facilities awarded to the Bank exceeded RUR 100 billion.

In 2013, the Bank achieved remarkable success in the development of corporate services provided to the defense and space industries. At the beginning of the reporting year, GPB established partnerships with the Russian Ministry of Defense and subordinate enterprises, such as Voentorg (OJSC), Slavyanka (OJSC), Oboronstroy (OJSC), Oboronenergo (OJSC), and Oboronenergobyt (OJSC). The Bank launched a joint project with the Integrated Finance and Accounting Center of the Ministry of Defense of the Russian Federation, which provides for installation of ATMs and a payroll card program for remote military units and the Russian Pacific Fleet.

In 2013, important transactions on the placement of bonds issued by Power Machines (OJSC) and IRKUT Corporation (OJSC) were closed and rating advisory services were provided to Power Machines (OJSC).

The Bank continues to expand the scope of finance in the Russian agricultural sector. Gazprombank provides financial support to investment projects in the Orel, Lipetsk, Belgorod, Sverdlovsk Regions, the Republics of Tatarstan and Udmurtia, as well as in other regions of Russia.

The largest customers of GPB in agriculture and food processing are Miratorg Agribusiness Holding, Cherkizovo Group, and Joint-Stock Foreign Trade Company Exima.

In 2013, the Bank continued to develop business relations with the leading financial and insurance companies. The Bank started providing services to such management companies

as Capital Asset Management (CJSC), Pallada Asset Management (CJSC), REGION Trust (LLC), Pensionnye Nakopleniya Management Company (LLC), and others.

In the reporting year Gazprombank first offered its services on authorization of debit transactions in trust management accounts with the use of a third-party electronic system (VTB's designated depository) in addition to the existing technologies based on its own Online Banking system.

At the request of the Agency for Housing Mortgage Lending, the Bank designed a service for automatic identification of incoming payments. It enables over 16,000 borrowers to repay their debt using dedicated attributes, and the Agency — to run error-free identification of those.

Service terminals of the Bank were placed in the premises of SOGAZ, ORANTA Insurance Company, UGORIA Insurance Company, and VSK Insurance House. They are designed for insured and insurance agents to transfer funds to company accounts.

GPB (OJSC) was the first bank to enter into a trading agreement with the Pension Fund of the Russian Federation regarding the placement of pension assets on the Bank's deposit accounts. Contracts on pension delivery were made by 19 branches of the Bank with 25 local offices of the Pension Fund. An agreement on cooperation in the field of electronic information exchange was signed to ensure well-timed accrual of pensions to employees. The new technology will provide the Bank with a unique option of maintaining the customer base. Once retired, employees of corporate customers will be able to continue their service with the Bank and get their pension accruals to their bank cards; there will be no need to apply to the Pension Fund additionally.

The Bank has been actively strengthening its partnership with the Inter-Regional Operations Department of the Russian Federal Treasury.

More than once, GPB (OJSC) took part in and won public auctions to serve state

funded organizations. As the auction winner, the Bank started providing cash management services to ministries, agencies and other public organizations (altogether over 100) with the use of corporate cards and cheques.


In 2013, the Bank achieved success by having increased significantly the scope of business in the trading segment. The Bank's customers include the following major retail chains: Magnit, Dixy, O'KEY, Holiday, Sportmaster, Eldorado, Bork-Technopark, Rolf, Ulmart, and Rive Gauche.

The reporting year was record-breaking in terms of new partnerships with pharmaceutical enterprises. GPB (OJSC) acquired new customers, such as SIA International, R-Pharm, and Imperia Pharma. The Bank also maintains business relations with its old customers, i.e. ROSTA Group and Implozia Group.

The Bank takes an active role in projects for development of tourism and culture. The Bank was involved in the financing of the Astoria-Angleterre Hotel Complex in Saint-Petersburg and refinancing of costs for the purchase of Metropol Hotel in Moscow. Besides, the Bank made the decision to finance the project for construction of Marriott Hotel in Krasnoyarsk.

Our specialists go on to offer banking products to cultural institutions. GPB's customer base includes the world's greatest and most famous museums, such as the Pushkin State Museum of Fine Arts, the State Hermitage Museum, the Peterhof, Tsarskoye Selo and Gatchina Museum Complexes in the Leningrad Region. The Bank's customers also include the following sports organization: Zenit (Saint Petersburg), Tom (Tomsk), Rostov (Rostov-on-Don) football clubs; SKA (Saint Petersburg), Avangard (Omsk) and Atlant (Mytishchi, Moscow Region) hockey clubs; Spartak (Saint Petersburg) and Dinamo (Moscow) basketball clubs. Apart from that, companies of the Kontinental Hockey League (KHL) Group have been served by the Bank since their establishment.





## IN 2013, GAZPROMBANK SIGNIFICANTLY EXPANDED THE SCOPE OF FINANCING IN THE RUSSIAN AGRICULTURAL SECTOR

*The Bank provides financial support in the implementation  
of agricultural investment projects in the Orel, Lipetsk, Belgorod,  
Sverdlovsk Regions, the Republics of Tatarstan and Udmurtia,  
as well as other regions of Russia*



## COMMERCIAL LENDING

Providing commercial loans to corporate customers is one of GPB Group's key business lines. In the reporting year, the total amount of loans to corporate customers increased by 33% and amounted to RUR 2,147 billion.

At the same time, the total amount of commercial loans was RUR 1,537 billion (72% of the total corporate loan portfolio) demonstrating annual growth of 37%.

In 2013, the Bank maintained its position as a lender of leading corporations from the basic sectors of the economy. The industry composition of commercial loans extended during the reporting year did not suffer any material changes. The majority of investments were made available to the following industries:

- metallurgy
- power
- gas production, transportation and marketing, and
- machine building.

The reporting year featured active development of partnerships in ferrous and non-ferrous metallurgy. The Bank's customers include the following major metallurgical groups:

- TMK Group
- UMMC Group
- OMK Group
- EVRAZ Group
- NLMK Group
- Russian Copper Company
- RUSAL
- Norilsk Nickel, and
- Ural Mining and Metallurgical Company

Through the development of business relations with electric power enterprises, the Bank significantly expanded the scope of loans and trade finance transactions involving subsidiaries of Federal Grid Company of Unified Energy System (FSK UES) and Inter RAO Group. There was a tangible increase in the amount of short-term loans provided to EuroSibEnergogroup.

A stably high amount of loans were provided to IES Holding, including heat-producing, sales and grid companies.

The Bank remained the key lender to Rosseti interregional distribution grid companies. Among other purposes, loans were provided to finance current operations of the companies and cover the cost of constructing a network infrastructure for the Sochi Olympics venues. The Bank is still one of the major creditors to RAO Energy System of East Group operating in the Far East. Loans were provided to Kamchat-skenergo (OJSC), Yakutskenergo (OJSC), Far-Eastern Distribution Company (OJSC), and other corporations.

The Bank sees its priority tasks in the development of partnerships with backbone nuclear power enterprises to implement their strategic objectives in the nuclear industry. State Atomic Energy Corporation ROSATOM appointed

the Bank to be one of the primary banks to serve the industry.

As part of the strategic partnership with State Atomic Energy Corporation ROSATOM, the Bank maintains business relations with Atomenergoprom (OJSC) on a number of initiatives, including centralized financing of the investment program in the nuclear power industry. In 2013, GPB (OJSC) also provided finance to Atomenergoprom to complete reverse split of 100% stock in Canadian-based Uranium One Inc., under supervision of ROSATOM.

Uranium One Inc. is one of the largest uranium producing companies with a globally diversified portfolio of international assets in Kazakhstan, USA, Australia and Tanzania.

As part of the partnership with Atomred-metzoloto (OJSC) and its subsidiaries and associates, the Bank (jointly with Sberbank CIB) acted as the Arranger in the placement of the second issue of Uranium One Inc. ruble-nominated bonds.

Besides, GPB (OJSC) acted as a guarantor within the framework of the Russian-Chinese project for operation of Tianwan Nuclear Power Station (TNPS-1). This helped to propel the Bank's partnership with Atomstroyexport (CSJC), the contractor of the Russian Government under intergovernmental agreements on construction of nuclear power plants abroad, to the next level. While expanding business operations in machine building, the Bank continues to cooperate with power and transport engineering enterprises, as well as a wide range of enterprises from other high-technology sectors of this industry.

In 2013, as part of its business with OAO Gazprom and its subsidiaries, GPB (OJSC) was fully involved in providing loans and finance to large-scale projects implemented by the Group's key companies (Gazprom Tsentremont (LLC), Gazprom Avtomatizatsiya (OJSC), Gazprom Gazenergoset (OJSC), Gazprom Transgas Belarus (OJSC), etc.):

- construction, reconstruction and technical re-equipment of gas production and transportation facilities;
- integration of automatic control systems in a group of enterprises;
- exploration activities;
- upgrades for power assets.

Just as before, the Bank provides loans to major contractors involved in the implementation of Gazprom's investment program. This program provides for construction of gas mains and development of license areas.

Simultaneously, the Bank is expanding its role in the funding of and providing loans to independent natural gas producers, such as ITERA, Sibneftegaz (OJSC) and Northgas (CSJC).

In 2013, the Bank actively developed partnerships with oil and petrochemical enterprises.

There was a significant increase in the amount of loans provided to Joint-Stock Oil Company Bashneft, NC Rosneft, LUKOIL and Gazprom Neft-ekhim Salavat. The funds raised were invested in their current activities and implementation of programs on upgrading of production facilities.

High growth rates were demonstrated by the portfolio of loans provided to trading enterprises. During 2013, it grew by 4.75 times. A special focus was placed on the development of partnerships with federal and regional retail chains, including CentrObuv, L'Etoile, Dixy, Holiday, and Eldorado. The Bank continues its close cooperation with car trading companies, such as Rolf, Okami, and Nezavisimost. As well as in the previous period, in 2013 the Bank put much effort in the development of partnerships with food processing and agricultural enterprises. Annual growth rate for the loan portfolio reached about 30%. The Bank was particularly focused on cooperation with major vertically integrated corporations and regional leaders.

GPB expands its partnerships with major transport enterprises, such as Transaero Airlines (OJSC), Promtransinvest (LLC), Federal Passenger





**IN 2013, GAZPROMBANK WAS AWARDED  
A CONTRACT TO FINANCE THE CONSTRUCTION  
OF THE EXPRESS-AMU1 SATELLITE AS PART  
OF CORPORATE BUSINESS DEVELOPMENT  
IN THE DEFENSE AND SPACE INDUSTRIES**

*The total limit of the lines of credit for this project amounts to EUR 160 million.*

*The launch of the Express-AMU1 satellite is scheduled for 2015*



GPB (OJSC) is one of the leaders in the Russian market for syndicated loans. In 2013, the Bank took the first place among Russian banks by the amount of completed syndicated loan transactions (according to Bloomberg).

Company (OJSC), ZapSib-Transservis (LLC), and NTK-Vagon (OJSC). The Bank financed leasing transactions on acquisition of rolling stock by NefteTransService Group.

As far as the potential for loan portfolio and profitability growth is concerned, the Bank finds the medium-sized business segment quite promising. In 2013, GPB (OJSC) designed a business model to be applied to this customer segment. This model provides for diversification of the loan portfolio in priority industries while maintaining high quality of the portfolio, ramp-up of commission income and achievement of the scale effect using the well-developed branch network.

GPB (OJSC) is one of the leaders in the Russian market for syndicated loans. In 2013, the Bank took the first place among Russian banks by the amount of completed syndicated loan transactions (according to Bloomberg). The total amount of syndicated loan transactions completed by Gazprombank approached RUR 68 billion.

The Bank closed several highly structured transactions to finance business reorganization of large holding structures, as well as acquisition of assets by representatives of large-size Russian businesses.

GPB (OJSC) supports foreign economic activities of its corporate customers by providing guarantees and letters of credit, and services on management of settlements (documentary collection) and trade finance (pre-export financing; short-, medium- and long-term import crediting; structured trade financing and import factoring).

The trade finance transactions completed in 2013 cover customers' foreign economic operations in a variety of currencies with beneficiaries from 38 countries. At the end of the year, the Bank was among the top three financial institutions of Russia in terms of corporate trade financing, including import factoring.

One of the positive outcomes of the reporting year was an increased number of trade finance transactions denominated in Chinese yuans. The structuring of operations through global banks helped to reduce the total cost of financing for customers due to funding in offshore yuans and using a more attractive Cost of Funds as a base rate rather than SHIBOR. The total amount of letters of credit provided in 2013 was valued at CNY 49.6 million.

As part of the project for construction of a rolling mill by Kamensk-Uralsky Metallurgical Works (KUMZ), a customer of GPB's branch in Yekaterinburg, the Bank arranged long-term financing of import equipment supplies backed by export credit agencies (ECAs) from Germany, Italy and Austria. The total amount of ECA-backed contracts under this project exceeded EUR 380 million.

Because of the sophisticated and complex nature of the project, non-standard patterns are used to finance some individual contracts: bridge facilities for advance payments over 15% of the contract price, involvement of several ECAs and foreign creditor banks under a single loan agreement for the purpose of financing supplies from several countries. GPB (OJSC) takes an active part in the implementation of the Program for Governmental Financial (Guarantee) Support of Industrial



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Export in Russia and develops its partnership with EXIAR Export Insurance Agency of Russia. Specifically, the Bank participates in long-term financing of the Angosat telecommunications project in Angola backed by governmental guarantees, as well as financing of equipment supplies, completion of electrical and hydro-mechanical operations, and engineering work within the Toachi Pilaton hydroelectric project in Ecuador.

In 2013 as part of a syndicate of Russian banks, GPB (OJSC) participated in the financing of supply of a gas turbine generator to Termogas Machala combined-cycle power plant in Ecuador.

The project was recognized one of the Deals of the Year by the Trade Finance Magazine. This reputable British magazine grants annual awards to major and most important projects in the global market for trade finance.

The Bank opened letters of credit to the total amount of EUR 380 million under a contract between the Bank's strategic customer

Gazprom Group and an Italian supplier for purchasing of equipment and services for the Kazachya compressor station of the South Corridor gas pipeline system. This system is designed to ensure gas supply to the South Stream system and gasification of the central and southern regions of Russia. 13 first-class Italian and global financial institutions were involved as confirming banks under this project.



An aerial photograph of a modern residential complex. The buildings are multi-story, with a mix of yellow, orange, and brown facades. A wide river flows through the scene on the left, bordered by a paved promenade and greenery. In the foreground, there is a circular playground area with colorful equipment. The sky is blue with scattered white clouds. A semi-transparent yellow and orange graphic overlay is on the right side of the image, containing text.

**IN 2013, THE AMOUNT OF LOANS PROVIDED  
BY GAZPROMBANK TO RETAIL CUSTOMERS  
INCREASED BY 37%**

*The Bank's loan portfolio growth rates exceeded  
the Russian banking system's averages*

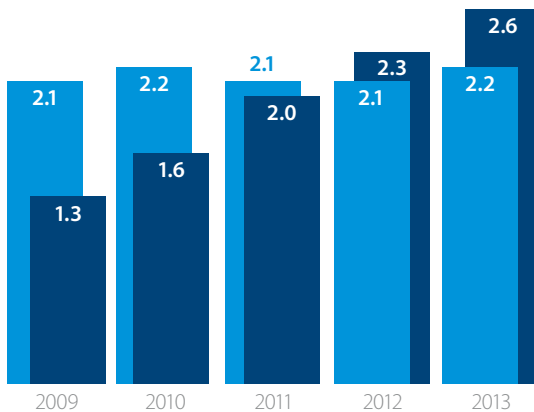


# RETAIL BUSINESS

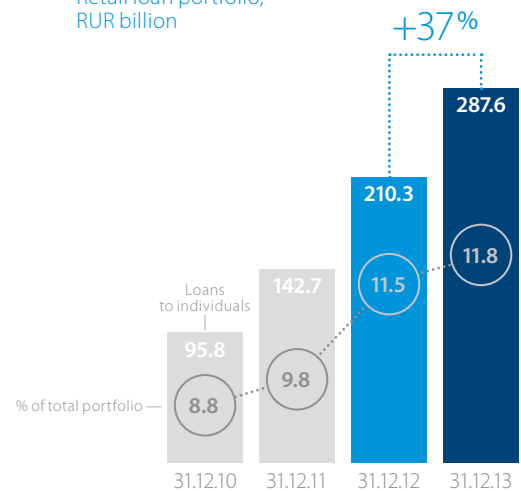
The well-known brand, proven stability and multi-branch regional network make Gazprombank attractive for individual customers totaling around 4 million by the end of 2013. A significant portion of those have above-average incomes.

Market shares in retail deposits and loans, %

■ Retail loans  
■ Retail deposits



Retail loan portfolio, RUR billion



## Main results for the year 2013

The Bank develops its retail operations to create an effective and advanced retail business that meets the requirements of the changeable competitive environment.

Therefore, the retail business development strategy provides for:

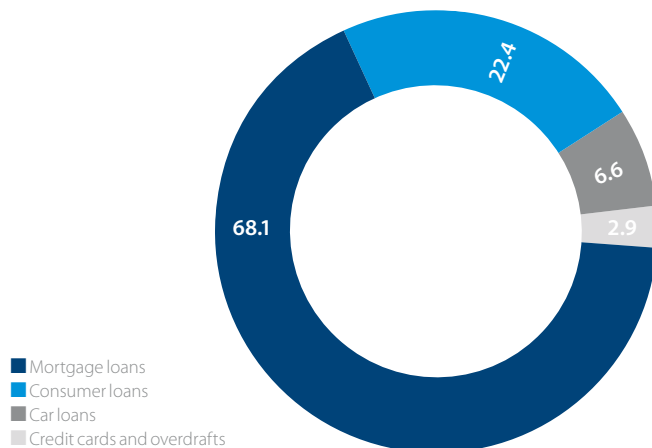
- maximum possible coverage of the target customer base, i.e. employees of the Bank's corporate customers and individuals with above-average incomes;
- development of retail loans using a low-risk business model;

- expansion of the Bank's branch network in most economically sound regions of Russia;
- issuing of up-to-date bank cards, including co-branded products.

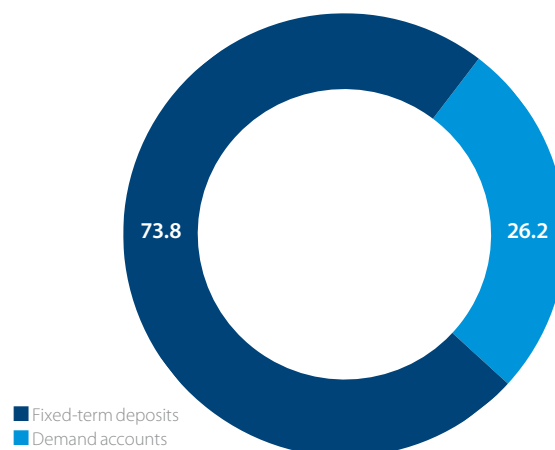
## Individual customers

As of 31 December 2013, the Bank provided services to around 4 million individuals. One of the key target customer segments is represented by employees of Gazprom Group companies and the Bank's large corporate customers.

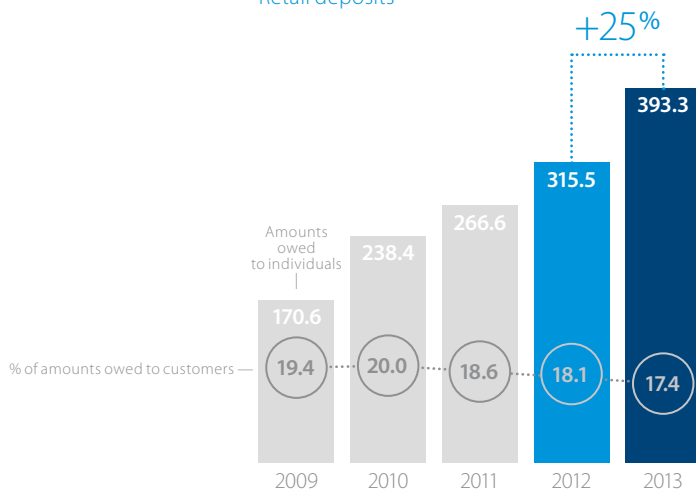
Structure of loans by product lines  
(as of 31.12.2013), %



Structure of deposits by term  
(As of 31.12.2013), %



Retail deposits



This segment allows creating a low-risk retail loan portfolio (mortgage and consumer loans, credit cards), and provides sources of retail funding (payroll card programs, fixed-term deposits and demand accounts).

The Bank plans to extend the line of products targeted at a broader customer audience (mortgage loans, car loans, fixed-term deposits and bank cards).

The well-known brand, proven stability and multi-branch regional network make Gazprombank attractive for individuals who have above-average incomes. This is backed up by the dynamic growth of the Group's share

in the market for retail loans and a stable share in the deposits market.

### Retail loans

In 2013, the Group's retail loan portfolio increased by 36.7%. as of December 31, loans to individuals totaled RUR 287.6 billion (11.8% of total loan portfolio).

The main loan products offered to individuals by the Bank are mortgage and consumer loans, including credit cards. The remaining portion of the portfolio belongs to car loans. Most of the loans (74.7%) offered to customers are secured (mortgage and car loans).



Consumer loans are subject to transparency of the customer's financial position (borrowers should have salary accounts opened with Gazprombank or a positive credit history). This conservative approach enabled to keep the share of non-performing loans as low as 2.2% of the total portfolio of loans provided to the Group's individual customers (as of 31 December 2013). To compare, the Bank's main competitors demonstrate the average value of 3.3%.

### Amounts raised from individuals

In 2013, amounts raised from individuals grew by 24.7%. By December 31, amounts placed in the Group's deposits by individuals had totaled RUR 393.3 billion, or 17.4 % of total amounts raised from the Bank's customers. The share of amounts owed to retail customers tends to be going down in general. This is consistent with the Group's fund-raising policy. Deposits raised from individuals comprise RUR 103 billion of demand accounts and RUR 290.3 billion of fixed-term accounts.

### Bank card services

As of 31 December 2013, the Group's banks served over 5.3 million debit and credit cards of international payment systems. The annual turnover on bank card operations escalated beyond RUR 975 billion (versus RUR 806.4 billion in 2012).

Besides, as of 31 December 2013, the Group's corporate network had 5,859 ATMs all over the Russian Federation (versus 5,090 ATMs as of the end of December 2012). GPB's ATMs provided a wide range of 24-hour banking services and allowed to make customer service much more efficient.

Remote banking options make it possible for customers to receive account statements and make payments with the use of bank cards

via ATMs and automated offices (telephone, cable TV, utility and internet bills).

Card holders can make payments via a mobile application. The Group uses advanced automatic devices, including information terminals, cash points and ATMs offering a currency exchange function. These devices allow the Group to serve multiple individuals offering to make a payment via a bank card or in cash. One of the priority objectives in the Group's card business is to ensure information security. This is achieved through application of dedicated technologies for safe storage and handling of information, which meet most stringent international standards.

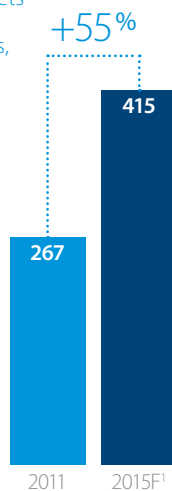
To ensure bank card security, the Bank employs a smart monitoring system. This system provides real-time analysis of transactions, identifies suspicious operations and restricts some of card functions until confirmation is received from the card holder.

A comprehensive personal security system was specifically designed and implemented for card holders:

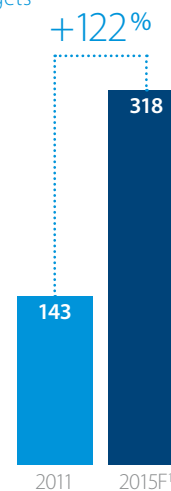
- Telecard and SMS Reporting systems ensure control over bank card operations and management of the daily withdrawal limit;
- free-of-charge Secure Electronic Payments ensure protection of card information from Internet fraud;
- Geographical Restrictions Service launched in 2013 allows customers to set and change restrictions on card transactions for certain regions. This service can be used via the Gazprombank website or Telecard system.
- SMS feedback allows customers to confirm transactions in a real-time mode and lift card restrictions imposed by the monitoring system.

<sup>1</sup> Forecast.

Strategic retail business targets of the Group until 2015.  
Amounts owed to customers, RUR billion



Strategic retail business targets of the Group until 2015.  
Loan portfolio, RUR billion



## Expansion and improvement of retail banking services

The core of the Group's retail customer base is represented by employees of the Bank's corporate customers and individuals with high levels of income. While capitalizing on its experience with Gazprom Group and other large Russian companies, the Group plans to expand the range of services for employees of corporate customers. For this purpose, the customer base is subject to segmentation by customers' income and life goals. This segmentation will help to find the right focus in the offering of retail products.

In this connection, the Bank intends to increase the amount of loans to individuals by raising the amount of mortgage loans and providing consumer loans and credit cards to employees of corporate customers involved in payroll card programs.

This strategy for expansion of the loan portfolio creates a profit-making asset that is more resistant to crisis phenomena.

One of key factors in further growth of retail banking operations will be improvement of technological platforms designed to support private retail customers.

The Group plans to reduce costs and raise the efficiency of the retail business primarily through optimization of the regional network. Moreover, a more flexible customer service system will be designed with more diversified functions of remote sales channels, and a procedure for active sales and quality service will be introduced.

To improve quality of services provided to individuals, business processes should be standardized to ensure stably high quality of customer service in all terminals.





ALBERTINA

FRANZ JOSEF I.  
DER STADT WIEN 1860.

**IN 2013, ALBERTINA MUSEUM IN VIENNA  
HOSTED AN EXHIBITION OF RUSSIAN  
CONTEMPORARY ART FROM  
GAZPROMBANK'S COLLECTION**

*The exhibition that lasted for one and a half months  
attracted more than 100,000 visitors*

ALBERTINA



# PRIVATE BANKING: FULL-YEAR RESULTS AND DEVELOPMENT PROSPECTS AND PLANS

For more than 16 years now, Gazprombank has been providing capital management services to high-income customers and it is one of the top three leaders in the Russian market for private banking. Today, Gazprombank's Private Banking is strongly associated with reliability, highest quality standards and professionalism in private asset management and investment advisory services.

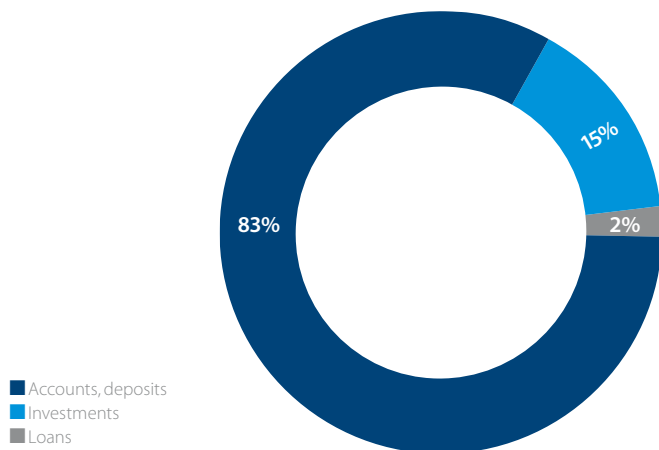
In 2013, Gazprombank made remarkable progress in the market for private banking. According to the full-year results, the volume of the Bank's business with private high-income customers increased by 32%. Growth of deposits reached 30%, while the loan portfolio increased by 61% and investments by 45%. It is worth mentioning a significant increase (nearly 1,5 times up on the preceding year) in the share

of investment products, which accounted for 15% of the total assets managed, though the average market value does not exceed 9%. One of the unfailing principles of Gazprom Private Banking is close attention to the needs of each customer. Financial advisers help to select a capital management strategy and identify products and services that will facilitate the achievement of the customer's financial targets best. When designing financial solutions, Gazprombank relies on global experience and a wide range of innovative investment services. In 2013, GPB (OJSC) was one of the first banks in the Russian market to offer its high-income customers the private placement service. The transaction involved about 20 customers and increased the Bank's capital by more than USD 60 million. To diversify risks and increase profitability of portfolios, Gazprombank Private Banking actively offered its customers a variety of options for investment in European and American capital markets, as well as bonds from foreign issuers. This helped to increase the number of transactions by 3 times versus the previous year. Another important objective in the past year was to acquire new customers and maintain loyalty of the existing customer base. By the end of 2013, the Bank's high-income customer base had comprised 5,000 people. It is worth mentioning that high-income

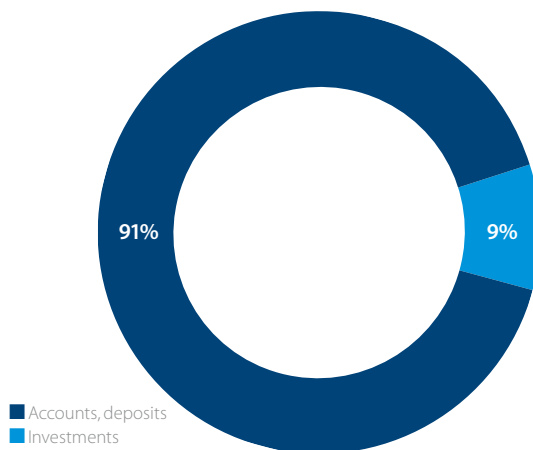




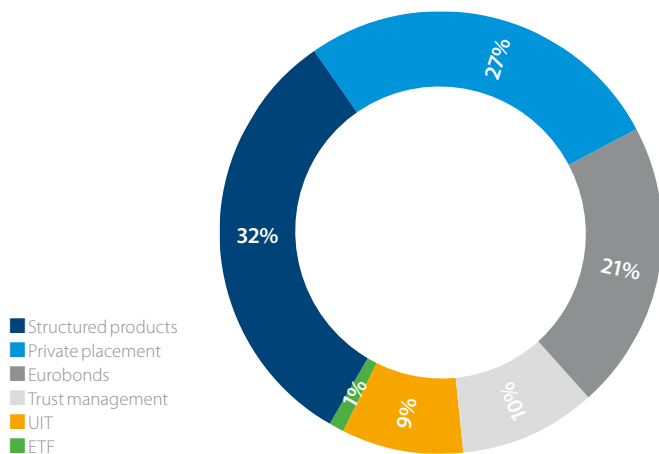
Breakdown of Gazprombank private banking services, 2013



Asset distribution in the Russian market for private banking, 2013



Investment portfolio composition



The achievements of Gazprombank Private Banking in the servicing of high-income customers are award-winning. In 2013, the authoritative web portal Global Banking & Finance Review recognized GPB (OJSC) to be the best Russian bank in terms of private banking.

### Art banking

Since 2007, the Bank has made efforts to develop its Art Banking business line that offers services covering investments in pieces of art and collectors' items, as well as advisory and information services in the art market. The Bank's customers are provided with analytical reviews relating to various segments of the art market, updates on the relevant legislation and other reference materials.

The Bank provides support in the valuation, transportation and insurance of both individual works of art and collections.

The support provided by the Bank in the development of the collecting in Russia and protection of the heritage generated an idea of creating its own art collection.

The collection has become the first ever collection of Russian contemporary art from the 1990s to this day.

customers demonstrate stably high loyalty to the Bank. A survey showed that almost 70% of respondents who became customers 5 year before continued their cooperation with Gazprombank Private Banking. Amounts raised from these customers increased by 4 times, while the average account balance grew by 6 times and totaled over USD 2 million. In 2014, Gazprombank Private Banking plans to expand the geography of business and cover more than 10 regions of Russia. Presently, the Bank serves high-income customers in Moscow, Saint Petersburg, Yekaterinburg and Novosibirsk.



The achievements of Gazprombank Private Banking in the servicing of high-income customers are award-winning. In 2013, the authoritative web portal Global Banking & Finance Review recognized GPB (OJSC) to be the best Russian bank in terms of private banking.

# PROJECT AND STRUCTURED FINANCE, INVESTMENT LENDING AND INVESTMENT BANKING ADVISORY SERVICES

As of the year end, Gazprombank steadily holds leading positions in the Russian market for project and structured finance and investment lending.

Such result became possible thanks to GPB's extensive experience in the implementation of complex investment projects in the backbone industries of the economy. The Bank also benefited from good relationships with leading international financial institutions, export credit agencies, rating agencies and other key market players.

The international team of professionals, the Bank's employees, boasts profound knowledge of projects and great experience in project assessment, structuring and fund-raising.

It ensures offering of comprehensive financial solutions and individual approach to each customer and project.

The key industries where the Bank has tangible competitive advantages in project finance and financial advisory services include:

- Oil and gas
- Chemical and petrochemical
- Coal mining
- Space
- Machine building
- Power
- Real estate and construction
- Transport and infrastructure
- Agriculture
- Communications
- Housing, utilities, public services

By the end of December 2013, the loan portfolio in project finance had totaled RUR 297.2 billion

(according to IFRS statements). In 2012 it only amounted to RUR 180.6 billion, and two years before — RUR 80.2 billion.

The Bank plays an active role in providing financial advisory services to large-scale projects in Russia and abroad.

In 2013, the Bank implemented a number of landmark projects. In April, GPB won another open tender initiated by Russian Satellite Communications Company" (RSCC) to finance construction of the Express-AMU1 satellite. Thus, the Bank reaffirmed its stable positions in space financing.

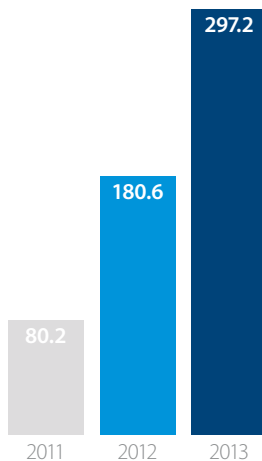
The total limit of opened lines of credit under the project is around EUR 160 million. The transaction involved Coface insurance agency based in France. The launch of the Express-AMU1 is scheduled for 2015.

As of the end of 2013, the Bank participated in the financing of construction and launch of five Russian medium and heavy telecommunications satellites.

In April, the Bank financed the transaction for acquisition of 70% of shares in SG-Trans (OJSC) by Financial Alliance (CJSC) to the value of RUR 12 billion.

This transaction was part of a project for creation by Sistema JSFC of a single universal rail freight operator to be one of the top three players in the Russian market. as of the end of the year, the fleet operated by an integrated

Project finance portfolio  
(RUR billion, as per IFRS statements)



organization comprised more than 30,000 railcars, including LPG tank cars, oil tank cars, gondolas, covered wagons, cement railcars and flatcars.

In July, Chelyabinsk Metallurgical Plant (Mechel Group) commissioned a universal rolling mill (URM) to manufacture 100-meter rails for Russian Railways and structural steel. Together with China Eximbank and backed by Sinosure, GPB (OJSC) acted as a creditor in a syndicate of banks. Other members of the syndicate include BNP Paribas, UniCredit Bank, as well as export credit agencies Euler Hermes and SACE. This universal rolling mill combines the world's latest technologies in rolling, hardening, leveling, finishing and quality control.

The active stage of roll construction lasted for two years. URM's annual capacity is up to 1.1 million tons of finished products. The project value amounted to about USD 1 billion.

In August, Gazprombank started to finance a new stage in the construction of a railway, associated infrastructure and a seaport for coal transportation in Kalimantan (Indonesia). Kalimantan Rail was appointed to manage the construction of the electrified railroad, approximately 300 km long, between the provinces of Central and Eastern Kalimantan, leading to the seaport coal terminal.

It is also planned to raise project finance in the amount of USD 2 billion from the largest international banks.

Another USD 500 million will be raised from private investors, including institutional investors interested in the project strategically or financially.

December faced the completion of the project for development of the Mikheevskoe porphyry copper deposit and construction of an ore-mining and processing plant with the annual capacity of up to 18 million tons of copper ore (Russian Copper Company Group). This 700 million dollar project of federal importance ensures the development of Russia's largest porphyry copper deposit, one of the world's top fifty. Mikheevsky plant will become the largest greenfield ore-mining and processing project in the post-Soviet area. The deposit is considered to be "the Russian copper treasury". Commercial reserves of the deposit amount to 400 million tons. In this project, Gazprombank acted as an arranger and lender.

In December, the Bank also provided a bridge loan facility in the amount of USD 1.3 billion as part of the Alliance Group project for reverse split of 100% of shares in Alliance Oil Company Ltd.

As of the date of the transaction, Alliance Group owned 42% of shares in the company.



The remaining shares free floated in the Stockholm Stock Exchange in the form of depositary receipts.

Alliance Oil Company Ltd. is an independent vertically integrated oil company operating in Russia and Kazakhstan. It owns vast oil and gas reserves, as well as assets for processing and marketing petroleum products, including Khabarovsk Oil Refinery and a network of oil tank farms and gas-filling stations in the Far East. In 2013, the Bank acted as a lender in two transactions for acquisition by Russian Sea Catching (RSC) Group of the large fishing enterprises Turnif (OJSC), Intraros (CJSC), Vostokrybprom (LLC) and Sovgavanryba (LLC). These companies specialize in Alaska pollock and herring fishing in the Far East sea basin of Russia. The total quota of RSC Group for the production of marine bioresources amounts to over 220,000 tons. At the same time, the Group possesses the largest volume of quotas for the production of Alaska pollock in Russia (180,000 tons or 12% of all quotas in Russia). The amount of financing totaled USD 483 million.

Gazprombank provides funding to the first regional project of public-private partnership in social infrastructure.

According to the agreement with the Tomsk Regional Administration, the Bank

is implementing a project for construction of 15 kindergartens in Tomsk and the Tomsk Region to the value of around RUR 2.6 billion. In 2013, Gazprombank won a few mandates for financial advisory services on a number of projects being highly important for Russia, including the Serbian and the Bulgarian sections of the South Stream gas pipeline and construction of an oil processing and petrochemical complex for Orient Petrochemical Company (annual production capacity — 24 million tons of crude oil).

An active phase has been achieved in providing financial advisory services to Yamal LNG engaged in the development of the South-Tambey gas condensate field and construction of a natural gas liquefaction plant with the annual capacity of 16.5 million tons.

The increasing needs of the Russian economy for financing investment projects, Gazprombank's unique experience in this field, as well as successful and mutually beneficial cooperation with the Bank's customers, many of which take leading positions in the market, predetermined further steady development of project and structured finance, investment lending and financial advisory services in GPB.

Gazprombank is a key player in the Russian M&A market. In 2013, the Bank was recognized one of the leaders by the number of M&A transactions.

For the fifth year in a row, Gazprombank has been the highest rated M&A consultant, and this is indicative of the Bank's stably high performance.

According to Thomson Reuters, in the period from 2009 to 2013 the Bank participated in over 50 M&A transactions to a total value of more than USD 25 billion.

In 2013, fundamental documents were signed on a number of M&A transactions completed in 2013 and the first quarter of 2014:

- The Bank provided advisory services to NOVATEK North-West (NOVATEK Group) regarding the involvement of China's CNPC as an investor as part of a project for production, liquefaction, transportation and marketing of liquefied natural gas on the Yamal Peninsula by acquisition of 20% of shares in the equity of Yamal LNG. The value of the transaction, which was completed in the beginning of 2014, amounted to around USD 1.1 billion.

This is the largest Chinese investment in Russia to date.

- As of the Program for Privatization of Federal Property, Gazprombank was appointed the agent of the Russian Government in privatization of Arkhangelsk Trawl Fleet (OJSC). At the end of 2013, tender bids were collected, and 100% of shares in Arkhangelsk Trawl Fleet (OJSC) were sold at RUR 2.2 billion at the beginning of 2014.
- Gazprombank provided advisory services to the owners of the Babkiny Semechki brand on the sale of 100% of company shares to Russia's leading snack producer KDV Group. The transaction was completed in 2013.
- Gazprombank acted as an advisor to Invitro, the leader in the Russian market for laboratory diagnostics, on engagement of a foreign financial investor.
- In 2013, one of the largest transactions in the Russia media business was announced — acquisition of ProfMedia by GazpromMedia for USD 602 million.

The transaction was completed in early 2014. While developing the investment banking business, the Bank continued to provide advisory services to oil and gas companies, including M&A consulting.

Gazprombank demonstrates good progress in M&A customer consulting in the following industries:

- electric power;
- coal mining;
- agriculture;
- transport;
- wholesale and retail business;
- high technologies;
- telecommunications;
- insurance;
- banking.

Gazprombank provides advisory services on private placement, acquisition and sale of businesses, consolidation, establishment of joint ventures and equity swapping. The Bank also acts as an agent and financial adviser in federal and regional privatization programs.

### **Investment in fast growing companies**

The Bank goes on to develop merchant banking, i.e. purchasing (as investor or co-investor) of minority interests in non-public fast-growing companies.

In March 2013, MIR Capital, a joint venture of Gazprom and Intesa Sanpaolo, one of the top-rated Italian banks, was established, where Merchant Banking Group acts as an investment adviser.

The fund of up to EUR 300 million provides equity financing to privately owned companies in Italy and Russia with a significant growth potential at a global scale and plans for expansion of business in the markets of both countries.

By the end of 2013, MIR Capital had made investments in Packer Service (Russia) specializing in oilfield services, and Lima Corporate (Italy), one of the leaders in orthopedics.































**IN 2013, GAZPROMBANK JOINED A SYNDICATE  
OF BANKS TO FINANCE THE CONSTRUCTION  
OF THE CENTRAL 11-KILOMETER SECTION  
OF THE WESTERN HIGH-SPEED DIAMETER**

*The largest modern highway of strategic importance  
in the Saint Petersburg transport system.*

*One of the first concession investment projects in Russia*



# MOST SIGNIFICANT PROJECT FINANCE AND FINANCIAL ADVICE TRANSACTIONS IN 2013

 <p>Financing of the production, supply and orbital injection of a communications satellite</p> <p><b>EUR 162.5 million</b> backed by COFACE</p> <p>Arranger, Lender</p>	 <p>Syndicated finance of the investment program</p> <p><b>RUR 10 billion</b></p> <p>Agent, Co-Lender</p>	 <p>Financing of the construction of Columbus Shopping Mall in Moscow</p> <p><b>USD 280 million</b></p> <p>Lender</p>	 <p>Bridge loan funding of design work for the construction of railroad infrastructure on Kalimantan Island (Indonesia)</p> <p><b>USD 94 million</b></p> <p>Lender</p>	 <p>Financial Alliance Acquisition of 70% of common registered stock in SG-Trans</p> <p><b>RUR 12 billion</b></p> <p>Lender</p>
 <p>Agrotekhnologii Construction of an elevator for grain and oil-bearing crops in the Republic of Tatarstan</p> <p><b>RUR 2 billion</b></p> <p>Lender</p>	 <p>Financing of fishing assets acquisition</p> <p><b>USD 483 million</b></p> <p>Lender</p>	 <p>Financing of reconstruction of Novogorkovskaya CHP</p> <p><b>RUR 10.6 billion</b></p> <p>Lender</p>	 <p>Public-private partnership Construction of 15 kindergartens in Tomsk and the Tomsk Region</p> <p><b>RUR 2.6 billion</b></p> <p>Lender</p>	 <p>Funding of operations of the existing platinum asset owned by AS Amur (OJSC)</p> <p><b>USD 380 million</b></p> <p>Lender</p>
 <p>Renovation of a hotel complex</p> <p><b>USD 250 million</b></p> <p>Lender</p>	 <p>Financing of acquisition of 25% of shares in SKB-Bank (OJSC)</p> <p><b>RUR 4 billion</b></p> <p>Lender</p>	 <p>Financing of the construction of Aviapark Shopping &amp; Exhibition Center</p> <p><b>USD 560 million</b></p> <p>Lender</p>	 <p>Financing of the construction of Planeta Shopping Mall in Novokuznetsk</p> <p><b>USD 162 million</b></p> <p>Lender</p>	 <p>Acquisition of freight wagons for operating lease</p> <p><b>RUR 5 billion</b></p> <p>Lender</p>
 <p>Financing of reverse split of 100% stock in Alliance Oil Company Ltd.</p> <p><b>USD 1.3 billion</b></p> <p>Lender</p>	 <p>Financing of the retrofitting of 16 boiler houses owned by Teploenergo (OJSC)</p> <p><b>RUR 763 million</b></p> <p>Lender</p>	 <p>Construction of Astra Residential Complex in Novosibirsk</p> <p><b>RUR 2.35 billion</b></p> <p>Lender</p>	  <p>Project for construction of the Akkuyu Nuclear Power Plant in Turkey</p> <p><b>USD 20 billion</b></p> <p>Financial Adviser</p>	 <p>ECA-backed financing of supply of 118 double-deck railcars</p> <p><b>RUR 23.3 billion</b></p> <p>Financial Adviser, Lender</p>
 <p>Construction of a complex by Orient Petrochemical Company</p> <p>Financial Adviser</p>	 <p>Construction of the Serbian section of the South Stream project</p> <p>Financial Adviser</p>	 <p>Construction of the Bulgarian section of the South Stream project</p> <p>Financial Adviser</p>	 <p>Financing of the development of the South-Tambey gas field, construction of LNG plant</p> <p>Financial Adviser</p>	 <p>Financing of the development of Achimov gas deposits in the Urengoy field</p> <p>Financial Adviser</p>

# COMMODITY AND CAPITAL MARKET OPERATIONS

Gazprombank completed outstandingly successful bond issues recognized by Russian and international experts, as well as expanded its presence in equity capital markets.

## Development of the Bank's resource base and capital sources

Gazprombank operates actively in debt capital markets to replenish its resource base and capital sources. In 2013, the total volume of funds raised by the Bank from Russian and international debt capital markets amounted to RUR 155.9 billion.

The Bank employs a diversified range of debt instruments denominated in a variety of currencies, including rubles, euros, Swiss francs, Chinese yuans and US dollars. The transactions completed in 2013 include the Bank's record-breaking issue of Eurobonds to the value of EUR 1 billion, and the debut issue of Eurobonds denominated in Chinese offshore yuans.

To strengthen its capital base in the reporting year, Gazprombank placed the debut issue of subordinated Eurobonds to the value of USD 750 million in compliance with Basel III.

Besides, there was a significant improvement in the structure and quality of the Bank's

capital base by bringing an issue of perpetual subordinated Eurobonds placed in October 2012 in the amount of USD 1 billion in compliance with the regulator's requirements as part of the initiative for introduction of Basel III in Russia.

This allowed accounting this instrument as a source of capital stock.

Gazprombank's performance in capital markets in 2013 was recognized with prestigious awards and nominations:

- issue of Eurobonds to the value of EUR 1 billion — Best Issue of Financial Institution Eurobonds in 2013 (by EuroWeek);
- issue of subordinated Eurobonds of the Bank to the value of USD 750 million — Best Primary Placement of Eurobonds in 2013 (by Cbonds);
- by performance results in 2013 — Most Impressive Emerging Markets Financial Institution Borrower (by GlobalCapital), and a nomination for Most Impressive Emerging Markets Issuer (the most prestigious award from GlobalCapital).



Most Impressive Emerging Markets Issuer



Best Issue of Financial Institution Eurobonds



Best Primary Eurobond Deal 2013

## Primary market transactions

### Local bond market

GPB (OJSC) boasts many years of experience in the arrangement and placement of bonds in the local market. High-level expertise of the Bank's team in the local bond market allows the Bank to offer its customers a full range of services relating to the issue, primary and secondary placement of bonds, exercise of the put options, repurchase, etc., as well as brand-new innovative solutions in accordance with the customers' requirements. According to information rating agencies, for many years GPB (OJSC) has been occupying stable leading positions in the ratings of arrangers for local bonds.

The top position of Gazprombank is certified by rankings for 2013:

- 1st place in the ranking of arrangers for local bonds of corporate borrowers (2nd place in the ranking of arrangers in the placement of bonds for corporate borrowers, financial institutions and Russian regions);
- 1st place in the placement of infrastructure bonds of Russian issuers (with the coupon rate linked to the consumer price index).

In 2013, GPB (OJSC) acted as the arranger in the primary placement of 71 local bond issues to a total value of RUR 720 billion, including a few milestone transactions significant for the Russian market:

- Gazprom Capital (LLC) — RUR 30 billion, maturity — 3, 4 and 5 years, coupon rates — 7.50; 7.55 and 7.55% per annum (the first transaction in the local bond market with the bid book opened for three periods simultaneously);
- Rosneft — RUR 40 billion, maturity — 5 years, coupon rate — 7.95% per annum (the largest bond placement transaction in the local bond market);
- Bashneft (JSOC) — RUR 30 billion, maturity — 5 and 7 years, coupon rates — 8.65 and 8.85% per annum (record-breaking one-day bond placement (RUR 30 billion) and the largest 7-year bond placement transaction (RUR 15 billion) for a BB-rated borrower);
- Finance Holding Company — RUR 5 billion, maturity — 3 years, coupon rate — 8.25% per annum (the first transaction on consumer loan securitization in the local bond market).

### Eurobond market

Gazprombank has steady leading positions among arrangers of Eurobond placements for companies from all Russian industries. In 2013, Gazprombank was rated the second among international arrangers of Eurobonds for Russian borrowers (and the first among Russian banks).

The Bank possesses unique knowledge and experience in the arrangement and placement of Eurobond issues, and utilizes all opportunities offered in the global capital markets.































### Local bonds, corporate segment, 2013



















Arranger	Share, %	Amount, RUR billion
Gazprombank	27.4	242.4
VTB Capital	22.1	196.0
Sberbank CIB	20.2	178.8
Renaissance Capital	8.2	72.5
Raiffeisen Bank	6.0	52.9
Other	16.1	143.3
<b>Total</b>	<b>100</b>	<b>885.9</b>

Source: Cbonds, GPB (OJSC) (As of 1 January 2014).



## Primary bond placements by Gazprombank in the local market in 2013

 Russian Railways 8 issues <b>RUR 185,000,000,000</b> Arranger	 Rosneft 7 issues <b>RUR 110,000,000,000</b> Arranger	 Federal Grid Company of Unified Energy System 8 issues <b>RUR 110,000,000,000</b> Arranger	 Bashneft 4 issues <b>RUR 30,000,000,000</b> Arranger	 Gazprom 2 issues <b>RUR 30,000,000,000</b> Arranger
 Gazprom Capital 3 issues <b>RUR 30,000,000,000</b> Arranger	 Gazprombank 3 issues <b>RUR 30,000,000,000</b> Arranger	 Rostelecom 4 issues <b>RUR 30,000,000,000</b> Arranger	 Russian Helicopters 3 issues <b>RUR 20,000,000,000</b> Arranger	 Eurasian Development Bank 4 issues <b>RUR 20,000,000,000</b> Arranger
 Vnesheconombank 1 issue <b>RUR 15,000,000,000</b> Arranger	 NLMK 3 issues <b>RUR 15,000,000,000</b> Arranger	 Uranium One 1 issues <b>RUR 12,500,000,000</b> Arranger	 AHML 2 issues <b>RUR 12,000,000,000</b> Arranger	 Power Machines 1 issue <b>RUR 10,000,000,000</b> Arranger
 Uralvagonzavod 2 issues <b>RUR 6,000,000,000</b> Arranger	 Tomsk Region 2 issues <b>RUR 5,500,000,000</b> Arranger	 IRKUT 1 issue <b>RUR 5,000,000,000</b> Arranger	 Miratorg Finance 1 issue <b>RUR 5,000,000,000</b> Arranger	 MOESK 1 issue <b>RUR 5,000,000,000</b> Arranger
 OKAY 1 issue <b>RUR 5,000,000,000</b> Arranger	 Omsk Region 1 issue <b>RUR 5,000,000,000</b> Arranger	 Tula Region 1 issue <b>RUR 5,000,000,000</b> Arranger	 HC Finance 1 issue <b>RUR 5,000,000,000</b> Arranger	 Belgorod Region 1 issue <b>RUR 3,500,000,000</b> Arranger
 Republic of Mordovia 1 issue <b>RUR 3,000,000,000</b> Arranger	 Novikombank 1 issue <b>RUR 3,000,000,000</b> Arranger	 SOYUZ Bank 1 issue <b>RUR 2,000,000,000</b> Arranger	 Metcombank 1 issue <b>RUR 1,500,000,000</b> Arranger	 Chuvash Republic 1 issue <b>RUR 1,000,000,000</b> Arranger

<p>Zurich 16 October 2013</p>  <p>Bonds denominated in Swiss francs, Gaz Capital S.A. (due 2019), 2.85% p.a. coupon</p> <p><b>CHF 500,000,000</b></p> <p>Maturity: 6 years Quotation list: Swiss SE</p> <p>Lead Manager</p>	<p>Dublin 23 October 2013</p>  <p>14 series LPN, GPB Eurobond Finance Plc. (due 2018), 3.984% p.a. coupon</p> <p><b>EUR 1,000,000,000</b></p> <p>Maturity: 5 years Quotation list: Irish SE, Reg S</p> <p>Lead Manager</p>	<p>Zurich 6 November 2013</p>  <p>Bonds denominated in Swiss francs, Gazprombank (Switzerland) Ltd (due 2016), 2.375% p.a. coupon</p> <p><b>CHF 200,000,000</b></p> <p>Maturity: 3 years Quotation list: Swiss SE</p> <p>Lead Manager</p>	<p>Dublin 20 November 2013</p>  <p>LPN, GPN Capital S.A. (due 2023), 6.0% p.a. coupon</p> <p><b>USD 1,500,000,000</b></p> <p>Maturity: 10 years Quotation list: Irish SE, 144A/Reg S</p> <p>Lead Manager</p>	<p>Dublin 16 October 2013</p>  <p>13 series LPN, GPB Eurobond Finance Plc. (due 2023), 7.496% p.a. coupon</p> <p><b>USD 750,000,000</b></p> <p>Maturity: 10, 25 years Quotation list: Irish SE, Reg S</p> <p>Lead Manager</p>
<p>London 16 September 2013</p>  <p>3 issues of US dollar-denominated Eurobonds Russia 2019 3.5% p.a. coupon <b>USD 1,500,000,000</b> Russia 2023 4.875% p.a. coupon <b>USD 3,000,000,000</b> Russia 2043 5.875% p.a. coupon <b>USD 1,500,000,000</b></p> <p>Lead Manager</p>	<p>London 16 September 2013</p>  <p>1 issue of Euro-denominated Eurobonds Russia 2020 3.625% p.a. coupon</p> <p><b>EUR 750,000,000</b></p> <p>Maturity: 7 years Quotation list: LSE, 144A/Reg S</p> <p>Lead Manager</p>	<p>Dublin 24 July 2013</p>  <p>LPN, Gaz Capital S.A. (due 2018), 3.7% p.a. coupon</p> <p><b>EUR 900,000,000</b></p> <p>Maturity: 5 years Quotation list: Irish SE, Reg S</p> <p>Lead Manager</p>	<p>Dublin 25 April 2013</p>  <p>LPN, Nomos Capital Plc (due 2018), 7.25% p.a. coupon</p> <p><b>USD 500,000,000</b></p> <p>Maturity: 5 years Quotation list: Irish SE, 144A/Reg S</p> <p>Lead Manager</p>	<p>Dublin 3 May 2013</p>  <p>Guaranteed notes, Alliance Oil Company Ltd. (due 2020), 7.0% p.a. coupon</p> <p><b>USD 500,000,000</b></p> <p>Maturity: 7 years Quotation list: Irish SE, 144A/Reg S</p> <p>Lead Manager</p>
<p>Dublin 24 July 2013</p>  <p>LPN, Gaz Capital S.A. (due 2018), 3.7% p.a. coupon</p> <p><b>EUR 900,000,000</b></p> <p>Maturity: 5 years Quotation list: Irish SE, Reg S</p> <p>Lead Manager</p>	<p>Dublin 30 May 2013</p>  <p>LPN, MTS International Funding Ltd. (due 2023), 5.0% p.a. coupon</p> <p><b>USD 500,000,000</b></p> <p>Maturity: 10 years Quotation list: Irish SE, 144A/Reg S</p> <p>Lead Manager</p>	<p>Dublin 26 April 2013</p>  <p>LPN, GPN Capital S.A. (due 2018), 2.933% p.a. coupon</p> <p><b>EUR 750,000,000</b></p> <p>Maturity: 5 years Quotation list: Irish SE, Reg S</p> <p>Lead Manager</p>	<p>Dublin 13 March 2013</p>  <p>30 series bonds, due 2020 3.389% p.a. coupon <b>EUR 1,000,000,000</b></p> <p>31 series bonds, due 2025 4.364% p.a. coupon <b>EUR 500,000,000</b></p> <p>Lead Manager</p>	<p>Dublin 12 February 2013</p>  <p>LPN (RUB), due 2017 Novatek Finance Ltd. 7.75% p.a. coupon</p> <p><b>RUR 14,000,000,000</b></p> <p>Maturity: 4 years Quotation list: Irish SE, 144A/Reg S</p> <p>Lead Manager</p>
<p>Dublin 30 January 2013</p>  <p>28 series bonds, due 2020 3.85% p.a. coupon <b>USD 800,000,000</b></p> <p>29 series bonds, due 2028 4.95% p.a. coupon <b>USD 900,000,000</b></p> <p>Lead Manager</p>	<p>Dublin 15 January 2013</p>  <p>9 series LPN, due 2016 GPB Eurobond Finance Plc 7.875% p.a. coupon</p> <p><b>RUR 20,000,000,000</b></p> <p>Maturity: 3.5 years Quotation list: Irish SE, Reg S</p> <p>Lead Manager</p>	<p>Dublin 24 January 2013</p>  <p>Guaranteed notes, SIBUR Securities Limited (due 2018), 3.914% p.a. coupon</p> <p><b>USD 1,000,000,000</b></p> <p>Maturity: 5 years Quotation list: ISE, 144A/Reg S</p> <p>Lead Manager</p>		

The total amount of Eurobonds (denominated in US dollars, euros, rubles, Swiss francs and Chinese offshore yuans) placed in 2013 by the Bank as an arranger and lead manager exceeded USD 21.1 billion.

Large-scale placements of Eurobonds by Gazprombank were recognized by reputable international publications. The following transactions were recognized the most successful:

- the Russian Ministry of Finance — USD 7 billion: Best Emerging Markets Sovereign Offering in 2013 and Best Issue of Sovereign from Central and Eastern Europe in 2013 (by EuroWeek);
- Gazprom — CHF 500 million: Best CHF-Denominated Bond Issue in 2013 (by International Financial Review) and Best CHF-Denominated Bond Issue in 2013 (by EuroWeek).

And two transactions where Gazprombank acted as a lender:

- EUR 1 billion: Best Issue of Financial Institution Eurobonds in 2013 (by EuroWeek);
- USD 750 million: Best Primary Placement of Eurobonds in 2013 (by Cbonds).

The largest emerging markets sovereign offering in 2013: four tranches of Russian Federation Eurobonds (Baa1/BBB/BBB) to a total value of USD 1 billion under 144A/Reg S, maturity periods of 5, 10 and 30 years in US dollars, and 7 year in euros, coupon 3.5; 4.875; 5.875 and 3.625% per annum, respectively. The first simultaneous placement of four tranches

among Russian issuers and the first issue of Russian Federation bonds in euros. Local Swiss franc-denominated Eurobonds of Gazprom (Baa1/BBB/BBB) listed in the Swiss Exchange to the value of CHF 500 million, maturity period of 6 years and 2.850% p.a. coupon. Marketing targeted at Swiss investors only helped to close the book, 1.5 times oversubscribed, within a few hours' time after the announcement.

The largest one-time borrowing for GPB: euro-nominated Eurobonds of Gazprombank (Baa3/BBB-/BBB-) to a total value of EUR 1 billion, maturity period of 5 years and 3.984% p.a. coupon. The unique placement of the issue among 500 accounts of European investors significantly expanded GPB's bond investor base.

As a member of an international syndicate of banks, GPB (OJSC) acted as a lead manager in the issue of its own subordinated Eurobonds (Tier 2) in the amount of USD 750 million, maturity period of 10.25 years (call option in 5.25 years) and 7.496 p.a. coupon.

This is a unique transaction on the placement of Gazprombank's subordinated Eurobonds. It was completed in strict compliance with the new requirements set out in Regulation No. 395-P of the Bank of Russia.

#### Eurobonds, 2013

Arranger	Share, %	Amount, USD million
JP Morgan	11.2	5,869
Gazprombank	9.5	5,002
Citi	9.1	4,778
Barclays	7.3	3,858
VTB Capital	6.6	3,478
Other	56.3	29,567
<b>Total</b>	<b>100</b>	<b>52,553</b>

Source: Bloomberg, GPB (OJSC)



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During 2013, the number of brokerage accounts with the Bank reached 15,000, while the amount of customer assets on these accounts increased by 49% and totaled RUR 190 billion.

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### Equity market

Gazprombank keeps expanding its presence in equity markets. In 2013, the Bank acted as a bookrunner in the listing of Alliance Oil preference stock to the value of USD 100 million on the Swiss Exchange and the listing of NOMOS Bank stock to the value of over RUR 19 billion in the Moscow Exchange.

### Brokerage services

In 2013, the Bank continued to ramp up the brokerage business:

- the number of private customer accounts increased by 11%;
- the number of institutional customer accounts increased by 35%;
- the total number of accounts reached 15,000.

In the reporting year, there was a significant gain in the volume of customer assets on the Bank's brokerage accounts. At the end of the year it was RUR 190 billion (49% up on the previous year).

In 2013, the Bank offered its customer new transaction options with a great array of financial instruments and the possibility of making settlements in foreign currencies.

Transition to the T+2 settlement mode for transactions closed on the Moscow Exchange was successfully completed.

According to an independent broker rating prepared by Finanz.ru, the financial portal of the publishing house Axel Springer Russia, Gazprombank had the honor of winning the award in the "Customer-Oriented" category. This confirms the high quality of GPB's brokerage services.

### Analytical support

In this area of business, the Bank is focused on the Russian power industry and business expansion in other emerging markets, including China.

The Bank conducts analysis of the Russian financial market by industries and most important issues of concern. In particular, the Bank has prepared a review titled Shale Gas. A Revolution in North America, a Limited Impact on the Rest of the World, representing the opinion of the Russian oil and gas companies as to how the shale revolution may affect their performance.

Since November 2013, Gazprombank has been issuing a weekly review of the oil and gas industry.

It contains analysis of the burning issues in the oil and gas market, as well as trading ideas on shares and bonds.

Apart from industry-specific reports, Gazprombank provides analytical data on all key issuers of Russia.

This activity of the Bank was highly praised by experts:

- for many years now, Cbonds has included Gazprombank in the top three leaders of the Russian analysts in the debenture market;
- According to a survey covering international institutional investors, the Bank is regularly rated as one of the best Russian analytical entities (as reported by Institutional Investor).

## Business development in the Asian Region

Gazprombank and its strategic partner in China, Bank of China International (BOCI), raise the attractiveness of the CIS capital market for Asian investors:

- In September 2013, Gazprombank signed a strategic agreement with Bank of China International, a subsidiary of the Bank of China. Its foreign assets exceed USD 500 billion.
- BOCI plays an active role of a co-arranger and investor in market transactions arranged by Gazprombank.

## Transactions in precious metals

The Bank is involved in the financing and purchasing of precious metals as part of its partnerships with the main leaders in the production and processing of refined precious metals. GPB's key customers represent Polymetal International Plc Group, UMMC, Highland Gold Mining Ltd., the Gold Mining Company UGC, Krastsvetmet (OJSC) precious metals refineries, Prioksky Plant of Non-Ferrous Metals (OJSC), and Yekaterinburg Non-Ferrous Metals Processing Plant.

In 2013, the volume of funds provided to the industry reached RUR 15 billion. Gazprombank is steadily ranked third by the volume of precious metals purchased from producing and processing plants in the Russian market for precious metals.

In the reporting year, the volume of purchasing exceeded 33 tons in gold equivalent.

The volume of export to major global centers trading in spot precious metals (London, Zurich, Hong Kong, Dubai) amounted to 16.5 tons of gold and 195 tons of silver.

The Bank actively works on the raising of customer funds to depersonalized metal accounts (precious metals). Amounts raised in 2013 exceeded RUR 1.4 billion.

GPB MetallInvest, the Bank's subsidiary, provides services to Russian petrochemical enterprises on the processing, acquisition and marketing of products containing precious metals, including supplies of imported catalyst systems. The key customers are Surgutneftegaz (OJSC) (KINEF LLC), Rosneft (OJSC), Gazprom Neft (OJSC), Sibur Holding (OJSC).

Company revenues in the reporting year totaled RUR 4.23 billion.





**IN 2013, THE VOLUME OF ENDOWMENT FUNDS MANAGED BY GAZPROMBANK EXCEEDED RUR 14.5 BILLION**

*10 endowment funds became customers during the reporting year.*

*Thus, the number of the Bank's customers now includes 27 funds*

*(more than half of all endowment funds raised in Russia)*



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# TRUST MANAGEMENT

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Gazprombank is one of the largest Russian banks specializing in trust management services. In 2013, the volume of trust assets placed with GPB (OJSC) totaled around RUR 168 billion.

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Gazprombank's management company (Gazprombank Asset Management) offers units in Russian and foreign investment funds, individual trust management strategies, structured products and other investment services. Specifically, customers are offered to invest in 20 Russian mutual funds (open, closed, including index ones) and 3 foreign investment funds via GPB Asset Management S. A., a subsidiary management company (Luxembourg).

The Bank continuously updates the choice of funds according to market trends and customer expectations. For example, Gazprombank Bonds Plus, an open-ended mutual bond fund, was launched in March 2013. Around RUR 2 billion was raised in less than a year. As of the end of the year, the total amount of mutual funds' assets reached almost RUR 68 billion.

In 2013, the Bank continued to take the lead in the endowment market by the volume of trust funds and the number of customers. 10 endowment funds were raised during the year, and the number of funds grew up to the total of 27, while the total number of endowment funds created in Russia is about 50.

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The volume of trust assets exceeded RUR 14.5 billion.

Among those entrusting their assets to Gazprombank are Ural Invest Plus, a charity and the largest endowment fund in the country, the only existing museum endowment funds (Peterhof, Hermitage), and most of the endowment funds raised in higher education (including four federal universities). Thanks to the professionalism in endowment fund management, Gazprombank increases incomes of non-profit organizations. Therefore, the Bank plays an important social role in supporting culture, education and charity. In 2013, Gazprombank's management company was rated number one according to Russia's Top-20 Money Managers (by Institutional Investor publishing group). Besides, the management company was honored with the Financial Elite of Russia award in the following nominations: "Reliability" and "Best Endowment Manager of the Year". Every year the National Rating Agency confirms the highest reliability rating (AAA) for Gazprombank's trust management business.

# DIRECT INVESTMENTS

## Power industry

### GPB-EnergoEffect

The energy service company of GPB Group develops and implements complex turn-key solutions that increase energy efficiency in both business and state-financed spheres. The company implements projects aimed at revamping boiler houses, raising energy efficiency of production lines at industrial enterprises, upgrading street and industrial lighting systems, constructing facilities for distributed (autonomous) generation of heat and electric power (energy centers, mini-CHPs). In 2013, GPB-EnergoEffect and Teploenergo (OJSC) entered into a contract for revamping 16 boiler houses in Nizhny Novgorod with the total capacity of about 200 Gcal/h. The total volume of investments in the project amounted to RUR 550 million.

In January 2014, an investment agreement was signed between MUP Domodedovo Teploset and GPB-EnergoEffect to implement energy-efficient solutions and revamp two municipal boiler houses, including installation of advanced energy-efficient gas boilers (increase in the rated capacity from 41 to 105 Gcal/h).

This will help to improve the quality and reliability of heat supply to consumers, as well as supply heat to the newly constructed municipal infrastructure.

The strategy of the company provides for further expansion in revamping municipal heat supply facilities, as well as the development of new lines of business for commercial entities, including the construction of distributed energy generation facilities for industrial consumers.

### Infrastructure projects

#### Northern Capital Highway

Gazprombank, as part of a consortium of investors, is involved in the project for construction and operation of the toll road Western High-Speed Diameter in Saint Petersburg in the form of public-private partnership.

The Western High-Speed Diameter is a section of the ring road that connects the city to the seaport. The highway is of strategic importance for the Saint Petersburg transport system due to the following characteristics:

- total length — 46.6 km;
  - construction cost of the central section — RUR 104. billion;
  - governmental support — RUR 50.7 billion.
- In 2013, a syndicate of banks (Gazprombank, VTB, VEB, EBRD and EDB) started providing funds to finance the construction of the highway's central section (11 km long). Completion of the construction is scheduled for 2016. At the end of 2013, the southern section of the Western High-Speed Diameter was delivered to the consortium for operation. Actual traffic exceeds the forecast value and amounts to around 60,000 vehicles per day.

## Media business and telecommunications

### Gazprom Media

Gazprom Media Holding is one of the largest media groups in Russia, the leader in broadcast television and TV advertising, which plays an important role in other sectors of the Russian media market.

In the reporting year, Gazprom Media Holding acquired 100% of stock in ProfMedia Group from Interros Group, including:

- three federal TV broadcast channels (TV3, 2x2 and Friday);
- Russia's largest radio holding VKPM (Autoradio, Energy, Radio Romantika and Humor FM);
- Central Partnership, the leading Russian TV and motion picture producer, as well as the TV and film distributor.

The holding's development strategy seeks to continue integration of ProfMedia assets into the holding's structure, as well as raise operating efficiency of the media assets.

Besides, the increased number of Internet users predetermines further development of the media business and gradual shift of focus to the online audience.





**IN 2013, GAZPROMBANK ACTED  
AS CO-INVESTOR IN ACQUISITION  
OF 80.55% OF STOCK IN OBL PHARM**

*The stock was acquired by Alvansa Limited, a joint company of the Bank and UFG Private Equity established for the purpose of implementing the investment program that provides for consolidation of Russian pharmaceutical companies and purchasing medical products in the target market segments*



### Speech Technology Center

The company is the leading global provider of innovative systems of high-quality recording, processing and analysis of audio and video information, and speech synthesis and recognition. Since it was set up, the company has accumulated rich scientific expertise and become the absolute leader of the Russian market and a key player in the international market for speech technologies and multimodal biometrics. The company's solutions are successfully applied by public and commercial organizations, from small expert laboratories to complex nation-wide security systems. The medium-term corporate strategy provides the entry into new markets in terms of products (multimodal biometrics) and geography (USA, Canada, Middle East).

### Industry and services

#### Enex (OJSC)

Enex (formerly, the South Center of Power Engineering) is one of the Bank's important investments. Enex specializes in complex construction of power generation and network infrastructure facilities.

In 2013, the company faced significant reorganization resulting in its breaking into two business units. As part of a rebranding campaign, the corporate name was altered. This will help to strengthen the business and increase the brand awareness in the key markets. For the first time in its history, Enex won a large international EPC<sup>1</sup> contract for construction of the Termogas Machala thermal power plant in Ecuador.

#### Alvansa Ltd

In 2013, the Bank, jointly with UFG Private Equity, acquired 80.55% of shares in OBL Pharm, a large Russian manufacturer of medical and biologically active products.

Acquisition was completed via Alvansa Limited, a joint venture that the Bank and its partner plan to use for implementation of an major investment program in the nearest 3 to 5 years. This program includes consolidation of Russian pharmaceutical companies and purchasing of individual medical products in the target segments of the market.

#### ERIELL Group

One of GPB's most significant projects in oilfield servicing is ERIELL Group specializing in drilling services.

The year 2013 demonstrated high demand for ERIELL's services from major oil and gas companies, especially for deep-hole horizontal drilling. The company's geography of business covers Russia, the Middle East and Bangladesh.

### Petrochemical industry

#### Penoplex

In 2012, the Bank bought interest in Penoplex SPb, the Russian leader in the production of polymer heat-insulating materials, including XPS (extruded polystyrene foam) and waterproof PVCs used in industrial and civil construction.

Since 2012, the company has been implementing a large-scale investment program aimed at production ramp-up, expansion of the production geography and diversification of the product portfolio.

Thus, in 2013 the company put into operation a production site in the Tula Region, which helped to ensure its presence in all key regions of Russia. As of year-end 2013, Penoplex, while accounting for more than a third of XPS production in Russia, was ranked first in Europe and second in the world in terms of XPS production.

<sup>1</sup> EPC — Engineering, procurement and construction

## INDUSTRIAL ASSETS: HEAVY MACHINE-BUILDING, OMZ GROUP ENTERPRISES

United Heavy Machinery Plants (Uralmash-Izhora Group) is an integrated and highly diversified engineering holding specialized in heavy machine-building.

OMZ Group holds strong market positions in the following areas of business:

- equipment for nuclear power plants;
- equipment for petrochemical enterprises;
- drilling equipment (oil & gas);
- products made from specialty and common steels;
- metallurgical equipment;
- mining machinery;
- cryogenic engineering;
- pipeline accessories;
- engineering, integrated solutions and servicing.

One of the key projects in 2013 was the construction of the gas treatment facility (GTF) UPGT-2 Krasnodarskaya Compressor Station for OAO Gazprom.

Turn-key projects implemented by OMZ Group are:

- design and engineering;
- packaged supply of equipment;
- supervised installation.

The project execution period was 14 months and 23 days. The starting date: 24 October 2012.

Capacity of the gas treatment facility: 25 billion cubic meters per year.

Scope of supply:

- pressure vessels: 32 pcs.;
- valve units : 28 pcs.;
- shut-off and control valves: 1,567 pcs.;
- shaped elements: more than 2,645 pcs.;
- total weight of structural steel: 825 tons;
- total length of tubular products: more than 23 km;
- total length of cabling: more than 237 km;

- modular and packaged supplies: gas treatment facility, process control system, pig traps, compressor and nitrogen stations, and switch room.


The gas treatment facility is designed to remove heavy hydrocarbons and vapor from natural gas in order to prevent the formation of hydrates and hydrocarbon condensate in the gas stream during transportation along the Blue Stream offshore gas pipeline. The capacity of two of the five gas compressing units (GCUs) was increased and the second phase of GTF construction was completed. As a result, the production capacity of Krasnodarskaya Compressor Station increased from 50 to 73.2 million cubic meters of gas per day.

The additional production facility at Krasnodarskaya Compressor Station was put into operation on 17 January 2014 in Seversky District of Krasnodar Krai.

The ceremony was attended by Aleksey Miller, the Chairman of the Management Board of OAO Gazprom, and Alexander Tkachev, Governor of Krasnodar Krai. As Alexey Miller said, implementation of this project will help to ensure simultaneous employment of two gas pipelines, i.e. the Blue Stream from Russia to Turkey and the Olympic Dzhubga-Lazarevskoye-Sochi project, both at maximum utilization rates. Therefore, Gazprom has fulfilled its Olympic investment program in full.

Thanks to the experience gained, United Heavy Machinery Plants have advanced to a new level of operations in the key markets: production of high-technology and highly competitive





**IN 2013, GAZPROMBANK PROVIDED FINANCIAL SUPPORT TO OMZ GROUP IN THE DESIGN OF EQUIPMENT FOR PUTTING INTO OPERATION OF AN ADDITIONAL PRODUCTION FACILITY AT KRASNODARSKAYA COMPRESSOR STATION (PROJECT EMPLOYER — OAO GAZPROM)**

*The project was part of the Olympic investment program: additional production capacity ensured simultaneous employment of two gas pipelines, i.e. the Blue Stream from Russia to Turkey and the Olympic Dzhubga-Lazarevskoye-Sochi project, both at maximum utilization rates*



products, integrated solutions and EPC contracting.

OMZ Group completed manufacturing and supply of equipment in the following packages:

- slug catcher;
- inlet/outlet filters;
- silica gel adsorption unit;
- regeneration package comprising RGC<sup>1</sup>, regeneration gas separator and regeneration gas heater;
- condensate stabilizer unit, including stabilized condensate storage;
- fixed thermal treatment unit, including liquid waste inlet and accumulation modules;
- nitrogen supply system;
- fuel gas system;
- silica gel feeding and discharge units, etc.

United Heavy Machinery Plants represent one of the few Russian companies in machine-building that provides services to a wide range of local enterprises (including nuclear power, petrochemical industry, metallurgy, etc.), such as integrated solutions and servicing.

Another equally important project implemented by United Heavy Machinery Plants in cooperation with Gazprombank in 2013–2014 was the upgrading of the production facilities of Cryogenmash (OJSC), a large Russian company specializing in the production of technologies and equipment for air separation, supply of industrial gas and design of integrated solutions for associated, natural and liquefied natural gas treatment.

Around 80% of Russian industrial gas is produced with the use of equipment manufactured by the company.

Upon completion of the project, Cryogenmash capacities will enable an annual commercial product output equaling more than 6 billion rubles, including the capability to increase productivity by 20% as necessary.

This project is responsible for the ongoing construction of a new two-storey production building that has a footprint of 12,720 m<sup>2</sup> and a production area of 23,551 m<sup>2</sup>, and complies with all modern requirements for production organization as well

as occupational health and industrial safety conditions. Also underway is modernization of the design and laboratory building, which includes completion of the building's capital repair project with an area of 13,500 m<sup>2</sup>. Repair work employs modern construction technologies ensuring comfortable working conditions for personnel of Cryogenmash.

At least 50% of the new primary process equipment (modern automatic welding systems, CNC processing centers, painting chambers, lifting and transport equipment) is planned for deployment during launch of production in the new building, which will enable launch of operations in the production building in parallel with existing production and will enable preservation of the required process stages when production capacities are transferred.

The following sections will be arranged:

- bending, punching and rolling;
- welding and defect remediation;
- machining;
- heat treatment;
- weld preparation;
- assembly;
- shot-blasting chamber;
- painting;
- manufacture of packaged equipment and modular fixtures;
- pipeline manufacture, vacuum, and special products;
- manufacture of heat exchangers;
- assembly of valves and TECU<sup>2</sup>;
- test bed equipment for the scientific research and design institute for cryogenic machine-building, and etc.

The current assortment of manufactured products will be preserved and expanded. Production capacities provide for simultaneous manufacture of the entire range of special products required for fulfilling government contracts. This includes seven cryogenic air separation units of various productivity (including two with productivity higher than 25,000 m<sup>3</sup>/h for oxygen), seven non-cryogenic (membrane) gas separation units, 13 natural gas liquefaction units with low and medium productivity.

<sup>1</sup> RGC — Regeneration gas cooler.

<sup>2</sup> TECU — Turbo-expander compressor unit.

# DEPOSITORY OPERATIONS

In 2013, GPB's Depository maintained leadership in providing infrastructural services in the Russian Federation. The Bank's Depository holds the top position in the national rating of depositories in terms of the deposited securities market value.

As of 1 January 2014, the value of assets (shares and bonds) deposited with the Bank exceeded RUR 1,772 billion.

The Bank leaves its competitors far behind by the amount of deposited assets, the number of depositors, the scale of infrastructure and other parameters. The number of securities accounts exceeds 429,000. Depository operations are provided in 53 regions of Russia and involve securities from over 500 issuers. There are more than 110 points of customer service. Regional offices of the Bank's depository network provide advisory services; besides, shareholders of OAO Gazprom and other issuers are offered to review the submissions to the General Meeting of Shareholders. Gazprombank's Depository is positioned in the stock market as an infrastructural institution whose purpose is to promote innovation-based and socially oriented economic development of the country. Moreover, GPB's Depository is the center of infrastructural support for Gazprom Group's global projects (ADR program), as well as Gazprombank Group's domestic and international projects.

In 2013, the Depository ensured flawless completion of more than 700,000 transactions on the change of title to assets as requested by depositors.

By the value of property in custody, the Bank's Depository is on the top five list of national specialized depositories. The volume of property and assets in custody exceeds RUR 205 million.

The Bank's specialized depository safekeeps the property of its customers, including state-owned corporations, issuers of mortgage bonds and mortgage pool managers. The total amount of the mortgage pool registered by the Bank's specialized depository is more than RUR 152 billion.

Mortgage services represented the most actively developing segment in 2013.

The number of transactions in the depository network went beyond 400,000. Gazprombank is the absolute leader in this segment.

The Bank's Depository holds more than 292,000 mortgages to a total value of mortgage-backed liabilities over RUR 394 billion.

The Bank's Depository is actively involved in the development of a strategic partnership with AHML (OJSC).

In 2013, the Bank was highly involved in a project for short-term commercial lending against the mortgage pool.

The Depository seeks to raise the efficiency of services. To do this, the following steps are being taken:

- study of customer needs;



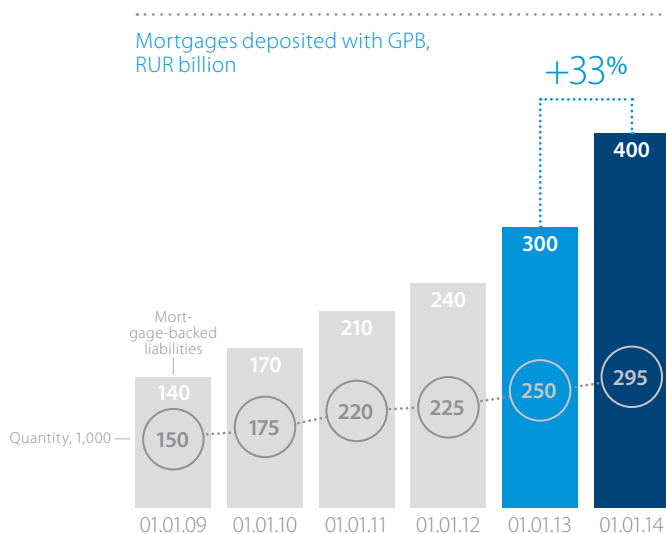


**IN 2013, GAZPROMBANK PROVIDED FINANCIAL SUPPORT FOR THE INSTALLATION AND COMMISSIONING OF THREE LADOGA-32 COMPRESSOR STATIONS AT THE BOVANENKOVO-UKHTA TRUNKLINE. THE EQUIPMENT WAS MANUFACTURED BY REP HOLDING**

*REP Holding is a leading Russian holding specializing in power plant engineering, as well as manufacturing and supply of new-generation power equipment.*

*The enterprise is part of Gazprombank's industrial assets*





In 2013, as part of the partnership with the National Securities Market association, AHML (OJSC) and the Central Bank of the Russian Federation, the Bank investigated the possibility of the Bank of Russia providing Lombard loans against the mortgage pool. In this project, GPB (OJSC) is seen as an element of infrastructure capable of securing the entire range of depository operations to the benefit of AHML and the Bank of Russia.

- offering a wide range of new financial instruments;
- analysis and classification of demand and supply in the market for depository and custodial services.

These steps will facilitate an increase in the cross sale of the primary banking products. This approach is expected to help the Bank to increase incomes at higher rates than the market averages, i.e. to maintain leadership in the market for depository services.

# RISK MANAGEMENT

The Bank is currently focused on managing the concentration of country risk in its loan portfolio, improving its rating assessment methodology and developing a system for limitation of trading operations.

## Risk management system

The Board of Directors annually approves the Bank's Risk Appetite Statement, which includes both quantitative and qualitative indicators designed to provide high-level guidelines on the types and values of risks that the Group is willing to take in pursuit of its strategic goals. This risk appetite is further scaled and operationalized to the level of limits for separate risks and positions. The following key principles guide the Bank's approach to risk management:

- a) The Board of Directors reviews and determines the level of risk appetite<sup>1</sup> on an annual basis.
- b) The Management Board provides overall risk management for the Group's operations and regularly monitors actual risk levels as to how they conform to the approved risk appetite level.
- c) Dedicated committees are appointed to address issues relating to individual risks. Members of the committees are subject to approval by the Chairman of the Management Board.
- d) Units of the Risk Management Division are independent from business units and are supervised by Deputy Chairman of the Management Board.
- e) Risk management is applied in an integrated manner at all operational levels, considering the relationships and cross impact of various risks.
- f) At the Group's level, the Bank authorizes local risk management divisions to identify, assess and monitor risks on subsidiary transactions.

<sup>1</sup> Risk appetite is a system of indicators that limit the total risk level and the risk profile. Indicators include target levels of external credit ratings, capital adequacy and liquidity of the Bank, and maximum values of individual risks.

The Group has an integrated risk management system which enables it to:

- use unified risk management approaches in separate organizations of the Group;
- enhance control over risk management activities in such organizations;
- align the overall risk profile with the Group's strategic objectives and facilitate risk-based decision making at Group level.

GPB's risk management system is based on advanced standards, models, procedures and practices of risk-based management accepted in financial organizations.

In 2013, the Bank was focused on:

- managing the concentration of country risk in its loan portfolio;
- improving its rating assessment methodology;
- developing a system for limitation of trading operations.

## Key risks of 2013

### 1. Credit risk

The Group is exposed to the risk of financial losses occurring due to a borrower or counterparty defaulting on their obligation to the Group (credit risk).

Credit risk is managed in accordance with the regulations of the Central Bank of Russia, Basel Committee principles and guidelines concerning banking supervision, and internal documents developed to incorporate such principles (Credit Policy and Risk Management Policy).

The main objective of credit risk management is to ensure well-timed credit risk



A nighttime aerial view of a city skyline, likely Hong Kong, featuring numerous illuminated skyscrapers and a prominent central tower. The city lights reflect on the water in the harbor. A dark blue semi-transparent overlay covers the right side of the image, containing white text.

**IN 2013, GAZPROMBANK ENTERED INTO  
AN AGREEMENT WITH THE BANK OF CHINA  
INTERNATIONAL HOLDINGS LIMITED  
AS PART OF ITS CAMPAIGN FOR EXPANSION  
OF PRESENCE IN THE ASIAN MARKET**

*The partners are willing to start multilateral cooperation in areas  
of mutual interest for corporate and private customers*



identification, assessment and mitigation. The Group applies the following key principles of credit risk assessment and management:

- usage of a comprehensive methodological approach that includes qualitative (expert) and quantitative (statistical) credit risk assessment;
- application of credit risk assessment to each individual transaction and the portfolio as a whole;
- limitation of credit risk by setting limits;
- adherence to unified approach in all aspects of credit process, including credit decision-making, administration, credit risk monitoring and prevention.

The decision-making function as to acceptable credit risk levels is assigned to several authorized bodies, such as the Investment Committee, the Credit Committee and the Chairman of the Management Board. The Group introduces risk limits for a single borrower or a group of borrowers. Compliance with such limits is monitored on a daily basis. All transactions considered by the Credit Committee or the Investment Committee are subject to independent qualitative and quantitative assessments by the Risk Management Division.

Qualitative assessment is an important method of credit risk assessment. On each individual borrower, the Group considers the counterparty's:

- corporate governance;
- ownership;
- business transparency;
- credit history;
- business reputation;
- size and market share;
- business environment;
- business activity;
- geographical location;
- suppliers and customers.

Quantitative assessment is made to determine debt capacity, profitability, liquidity, cash flows and asset quality.

Credit risk assessment is undertaken in respect of the following business segments:

- corporate lending;
- project finance, retail banking;
- transactions involving financial institutions;
- transactions involving sovereign and municipal bodies;
- debt market transactions.

The result of a credit risk assessment should be an expert opinion that defines acceptable parameters of the transaction and appropriate risk mitigation steps.

All of our customers are assessed using a unified internal rating scale. Ratings are assigned in accordance with Gazprombank's internal regulations and procedures. For rating purposes, all customers are divided into general categories, for each of which a dedicated assessment methodology is applied. In addition, there is an internal rating database, where Gazprombank collects, accumulates and analyses both quantitative and qualitative credit risk metrics.

The results of the rating assessment are used by collegial bodies to make well-informed decisions, identify and monitor problematic assets, make provisions according to RAs and IAs standards and evaluate expected losses.

To further enhance credit risk management, Gazprombank has developed and started the implementation of models to estimate the probability of borrower default based on leading international risk practices and Basel II recommendations.

Internal credit ratings are used to:

- make lending decisions and set credit risk limits;
- create loan loss provisions;
- identify and monitor distressed assets for default probability calculations and assessment of allowance for loan impairment and expected losses;
- conduct stress tests of the loan portfolio;
- prepare risk reports.

As part of the quantitative assessment, the Group regularly performs stress tests of the loan portfolio. The stress testing approach includes assessment of potential

losses under crisis scenarios using macroeconomic statistical models.

Future development of the credit risk management framework also includes:

- segmentation of banking book assets (in accordance with Basel II recommendations used for risk reporting and economic capital calculations);
- regular validation of internal models and development of new ones;
- implementation of the project for risk-weighted asset calculations in accordance with Basel II and CBR recommendations aimed at preparation for future regulatory requirements, and internal management objectives.

The Credit Policy is subject to review and approval by the Management Board.

The Group pays close attention to the system of credit risk monitoring and control.

There is a bank-wide information resource that contains results of the monitoring process for all transactions exposed to credit risk.

This enables the Bank to take preventive risk mitigation actions. In case of identification of any negative trends for a specific transaction as a result of the monitoring process, such transaction is included into one of the "Watch List" categories with the appropriate approach for control and monitoring (depending on the degree of negative trends).

The Group also maintains a "Default List" that includes all exposures at default and is monitored by the Risk Management Division.

The credit risk exposure for derivatives is managed within the overall credit risk limits for counterparties. Such risks include potential exposures to market movements. Credit-related commitments ensure that financing is provided as per contractual agreements. Guarantees and standby letters of credit represent irrevocable commitments of the Group to make payments to third parties in case the customer fails to fulfill its obligations. Standby letters of credit are usually fully

or partially covered by the funds deposited by customers and therefore bear lower credit risk.

The Group's activities may give rise to settlement risk at the time of settlement of transactions. Settlement risk is the risk of loss due to a failure by counterparty to execute its obligations to deliver cash, securities or other assets as contractually agreed. For certain types of transactions, the Group mitigates this risk by conducting settlements through settlement/clearing agents to ensure that a trade is settled only when both parties have fulfilled their contractual settlements obligations or executed trades on net basis. Acceptance of settlement risk on free of payment trades requires transaction specific and/or counterparty specific settlements limits that form part of credit risk limits.

In order to reduce credit risk resulting from OTC derivative transactions, where OTC clearing is not available, the Group regularly seeks the execution of standard master agreements (such as master agreements for derivatives published by the International Swaps and Derivatives association, Inc. (ISDA)) with its customers. A master agreement allows the netting of rights and obligations arising under derivative transactions that have been entered into under such master agreement upon the counterparty's default, resulting in a single net claim to the counterparty (close-out netting).

## 2. Country risk

Country risk is a risk of financial losses due to foreign counterparties defaulting on their obligations to the Group for economic, political, social reasons, or as a result of a limited access of the counterparty to the currency of the obligation because of the national legislation (irrespective of the counterparty's creditworthiness). The Group has a Country Risk Policy which defines key principles and approaches for the assessment of country risks and setting country limits.



Country risk assessment considers the economy scale (GDP level) and the sovereign rating of the country.

### 3. Liquidity risk

The Group manages its liquidity position to ensure that sufficient liquidity is available to meet its commitments to customers, creditors and note holders, and to meet the demand for new business.

Both qualitative and quantitative approaches to liquidity risk assessment are used to identify and measure actual and potential risks.

The Bank's liquidity management system is an integrated solution of risk identification, evaluation and control across the banking segment. It is an essential part of the assets and liabilities management (ALM) system and it covers operations on a bank-wide basis, including the head office and regional branches. The liquidity management system consists of two main components:

- instant (short-term) liquidity management implemented by the Treasury on a regular basis;
- medium-term and long-term liquidity management performed by the ALM Committee and the Internal Treasury Department (ALM-unit) as a part of the ALM function, ultimately for the purpose of setting an effective risk-return ratio.

The liquidity management policy is subject to approval by the Management Board.

On the executive level, liquidity risk is managed by the ALM Committee. The ALM Committee determines the policy of asset and liability management that aims to build up a liquidity gap control framework considering maturity profiles for assets and liabilities.

It also helps to provide effective diversification of funding sources and availability of sufficient funding in stressed conditions.

The Financial Market Risks Department conducts regular liquidity risk assessments and reports on the liquidity risk status to the ALM Committee, Chairman and Deputy Chairman of the Management Board in charge

of risk management. Risk reporting includes qualitative and quantitative risk estimations, stress-testing results, and evaluation of additional liquidity sources (liquidity buffer).

### Liquidity risk management methods

Liquidity risk analysis covers the whole range of banking operations and allows identifying possible periods and reasons for potential liquidity shortage.

The system of liquidity risk management also includes planning of operations and immediate borrowing facilities. This employs a wide range of risk evaluation methods:

- static and dynamic gap analysis;
- scenario analysis;
- stress testing;
- liquidity ratios and liquidity cost estimates;
- assessment of available funding sources (liquidity buffer);
- survival horizon assessment (a time horizon where the Bank will be able to maintain the existing business model with internal resources under stressed conditions).

The gap analysis estimates the excess or short-fall of cash inflows over outflows grouped by maturity and thus allows for identifying and managing open liquidity exposures.

The gap analysis is supported by the scenario analysis, which includes a realistic scenario (business as usual) and a liquidity stress scenario. The scenario analysis is performed as a part of regular risk evaluation:

- Realistic scenario: shows the average expected liquidity level;
- Stress scenario: shows stress tolerance and the ability to maintain sufficient liquidity without implying restrictions on assets-related banking transactions.

As part of the integrated liquidity risk management system, the Bank has a contingency funding plan (CFP) that sets out the strategies for addressing liquidity shortfalls in emergency situations. The CFP is updated on an annual basis and outlines policies to manage a range of stress scenarios, establishes lines of responsibility, including activation and escalation procedures.

#### 4. Market risk

The Group's strategy for managing market risk includes the limitation and monitoring of market risks that affect its banking business. The market risk management function is centralized and is run by the Financial Market Risks Department.

To estimate currency risk and other price risks, the Bank uses value-at-risk (VaR) methodology. Sensitivity analysis is used to assess interest rate risk exposure.

When assessing market risk, the Group is not limited to value-at-risk calculations since the scope of application for this method is quite narrow. These are supplemented by open position limits and sensitivity limits, including limits to address potential concentration risks within each trading portfolio and the gap analysis.

The verification of the portfolio VaR model is supported by back testing that is based on the Basel standards. Back testing shows a good quality of the Bank's VaR model. In addition to VaR assessment, the Bank also uses portfolio stress testing to supplement market risk exposure analysis. Stress testing provides with an assessment of the impact of extreme scenarios on market risk exposure. The testing results are submitted to the Bank's senior management for review.

##### **Interest rate risk**

The Bank uses the following parameters to assess interest rate risk:

- net interest income sensitivity for both the banking and the trading book;
- net present value sensitivity for both the banking and the trading book;
- value at risk for positions in trading bonds;
- stress-testing.

The Bank's interest rate policy is subject to periodic review and approval by the ALM Committee. On a regular basis, the Risk Management Division reports on the levels of interest rate gaps, VaR and stress testing results. This data is submitted to the ALM Committee for review. The ALM Committee

sets limits on the level of interest rate risk exposure in accordance with the Bank's risk appetite (which includes interest rate risk indicators).

##### **Currency risk**

The ALM Committee sets limits on the level of currency risk exposure for each foreign currency.

Currency risk exposure limits are set on each portfolio (trading, investment, the Group, the Bank, and subsidiaries). Separate limits apply to operations involving derivatives.

The Bank's currency risk exposure limits comply with the minimum requirements of the Central Bank of the Russian Federation.

The Bank also assesses the sensitivity of net profit to foreign exchange rate fluctuations as part of a systemic stress scenario, assuming the rise of USD, euro and precious metals against the ruble.

##### **Equity risk**

The Group has investments in quoted securities, which consist of both short-term trading positions and medium- or long-term strategic investments. Additionally, the Group enters into derivatives for trading purposes.

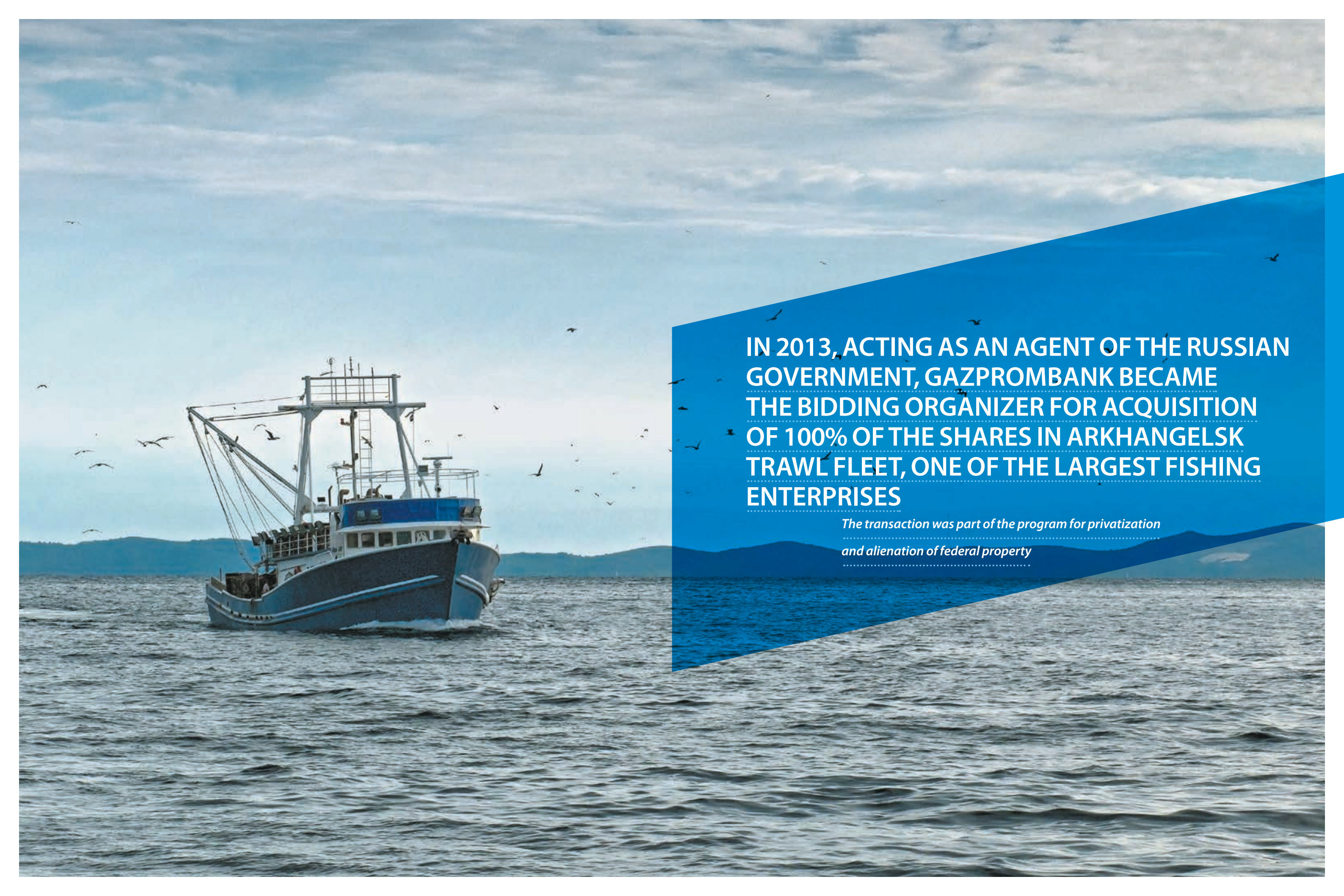
Financial positions and cash flows are exposed to the effects of fluctuations in the market prices for these securities.

The Risk Commission sets limits on position levels (nominal limits, structure limits, VaR limits, sensitivity limits, and stop-loss limits) as well as concentration limits by issuer or instrument.

The VaR methodology is only applied to quoted instruments. Forward transactions and delta equivalents are also included into the VaR calculations.

The position of the Bank in non-quoted instruments consists of investments in the non-banking segments (strategic and private equity investments). These instruments are not included into the traditional VaR model, and a separate model is used to calculate the capital value for these instruments. Therefore, the Bank does not exercise real-time monitoring of risks relating to these assets.



A large fishing trawler is shown at sea, moving towards the left. The ship has a white hull with a blue stripe and a complex rigging system. The sky is filled with numerous birds, likely gulls, flying around the vessel. The water is dark and choppy. In the background, there are low, hazy mountains or hills. A large blue graphic overlay is on the right side of the image, containing text.

**IN 2013, ACTING AS AN AGENT OF THE RUSSIAN GOVERNMENT, GAZPROMBANK BECAME THE BIDDING ORGANIZER FOR ACQUISITION OF 100% OF THE SHARES IN ARKHANGELSK TRAWL FLEET, ONE OF THE LARGEST FISHING ENTERPRISES**

*The transaction was part of the program for privatization and alienation of federal property*



The main tool for managing this risk is allocating capital to cover the risk of depreciation over the horizon of financial planning (one year) and strategic planning (five years).

The Bank also assesses the sensitivity of its profit (loss) to securities price changes as part of a systemic stress scenario, where the stress level assumes decrease in quotes for equities and increase in YTM for debt securities.

## 5. Operational risk

Operational risk is defined as the risk of a loss resulting from inadequate or ineffective internal processes, personnel and (or) third parties, IT systems and (or) life support systems, or external events. Losses from staff errors, internal or external fraud, model errors or natural disasters are considered as losses due to operational risks.

The nature of these risks makes it difficult to measure or quantify them compared to other types of risk and therefore an integrated operational risk management system is vital for effective management of operational risk. This system does not only include quantitative restrictions, but also obligatory principles, primarily of qualitative nature. The Bank's existing methodological base creates a foundation for proactive approach to operational risk management and ensures integrated management of operational risks and control procedures.

The following authorities are responsible for the decision-making process on the method to be employed in managing the Bank's material operational risks: the Financial Market and Operational Risks Commission and the Management Board.

As of today, the Bank's operational risk framework consists of the following key elements:

- risks identification and escalation process, registration of the Bank's operational risks;
- qualitative and quantitative operational risk assessment (including controls efficiency assessment);

- delegation of decision-making authority with regard to operational risk management;
- integration of operational risk management principles into the decision-making process;
- scenario analysis and stress-testing;
- acquisition and registration of data on risk events and consequences;
- development, updating and testing of business continuity and disaster recovery plans;
- effective risk monitoring (including the system of key risk indicators);
- training programs and other initiatives designed to promote the culture of operational risk management.

Altogether, these components provide the advantage of quick detection and mitigation of risks in the processes, documents and procedures for adequate operational risk management. Prompt detection, assessment and addressing of these deficiencies to risk owners of the corresponding management level can substantially reduce the potential frequency or severity of an operational risk. The Bank is focused on implementing a systematic approach to regular monitoring and reporting of its operational risk profiles and material exposures to operational losses. In order to ensure effective operational risk management, the Bank uses principles, methods and approaches based on best practices in operational risk governance and control as follows:

- a) The Bank develops internal documents regulating:
  - job descriptions;
  - banking operations processes;
  - business continuity and disaster recovery plans;
  - information disclosure policies.
- b) The Bank implements principles for segregation of duties and conflict-of-interest policies.
- c) The Bank implements new products and processes only after relevant procedures

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and controls have been properly documented. Internal regulatory documents are only submitted when approved by the Risk Management Division and other expert units of the Bank.

d) The Bank organizes procurement of goods and services on a competitive basis.

e) as part of operational risk management, the Bank applies the following procedures on legal risk management:

- due diligence of internal documents, contracts and other relevant correspondence with counterparties;
- monitoring of changes in the regulatory base to ensure well-timed amendment of contracts and changes to the Bank's processes.

Furthermore, in order to reduce the negative effects from specific types of operational risks, the Bank actively uses insurance coverage, including the following insurance programs:

1. Complex property risk insurance, including:

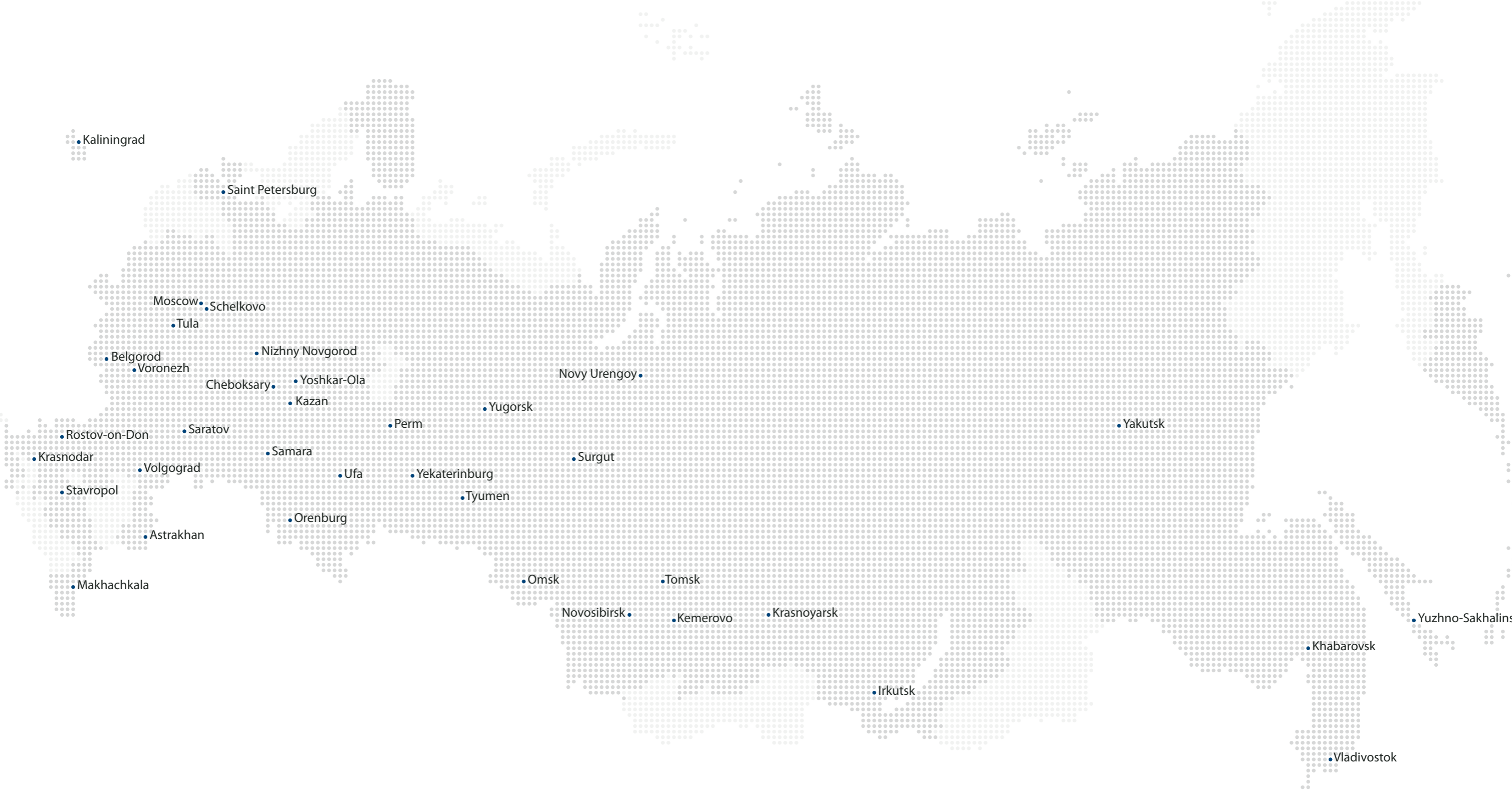
- Comprehensive Crime & Professional Indemnity Insurance (Banker's Blanket Bond)
- Electronic and Computer Crime Insurance;
- Professional Indemnity.

2. Voluntary medical insurance of employees.

3. Property insurance, including ATM insurance and property damage liability insurance.



# REGIONAL NETWORK MAP



- Regions of presence
- Branches





**IN 2013, GAZPROMBANK PROVIDED FINANCE  
FOR THE CONSTRUCTION OF A ROLLING MILL  
AT THE SITE OF KAMENSK-URALSKY  
METALLURGICAL WORKS**

*The volume of financing amounted to RUR 25.4 billion.*

*The project includes construction of three industrial buildings  
to the total area of 116,000 sq. m*



## REGIONAL NETWORK

As of 1 January 2014, GPB's regional network consisted of 358 local offices, including 39 branches and 319 internal business units (supplementary and operational offices and out-of-the-office cash counters).

The Bank's regional network covers 64 regions of the Russian Federation. In 2013, the network gained 24 more local offices.

According to resolutions of the Bank's Management Board in 2013, a branch was opened in Voronezh, and internal business units were set up in the new regions of the Bank's presence:

- Arkhangelsk Region,
- Tver Region, and
- Republic of Khakassia.

To raise the presence efficiency, the Management Board converted the following branches into operational offices:

- Chelyabinsk (Chelyabinsky operational office of the Bank's branch in Yekaterinburg);
- Lipetsk (Lipetsky operational office of the Bank's branch in Voronezh);
- Bryansk (Bryansky operational office of the Bank's branch in Tula);
- Izhevsk (Izhevsky operational office of the Bank's branch in Perm);
- Kostroma (Kostromskoy operational office of the Bank's Centralny branch in the Moscow Region).

In 2014, the Bank will continue to develop its network and optimize its presence in the regions of Russia.

Optimization of the Bank's network structure and successful performance of the branches in 2013 enabled the Bank to not only significantly increase the scope of business in the regions, but also gain a larger share of branches in the regional markets in all areas of the Bank's business:

- loans to corporate customers — from 4.7% to 5.9%;
- loans to individuals — from 2.2% to 2.5%;
- amounts raised from corporate customers — from 4.9% to 5.8%.

The Bank's share in terms of amounts raised from individuals remained at the level of 1.7%. Some of the most important projects financed by the Banks in regions:

- Yekaterinburg branch:
  - Construction of Mikheevsky Ore Mining and Processing Plant for Russian Copper Company Group (budget — RUR 24.5 billion);
  - Construction of a rolling mill at the site of Kamensk-Uralsky Metallurgical Works (KUMZ): three industrial buildings with a total area of around 116,000 square meters (budget — RUR 25.4 billion);
- Belgorod branch:
  - Construction of an iron ore production facility in the Yakovlevskoe field (Belgorod Region) in partnership with Metall-Group (LLC) (budget — 11.8 RUR billion);
- Tomsk branch:
  - Construction, fit-out and operation of 15 pre-school educational institutions in 9 municipal districts of the Tomsk Region in the form of a public-private partnership with Sotssfera TDSK (LLC) (budget — RUR 1.8 billion).

In the reporting year, the Bank's branches implemented large-scale payroll card programs for such regional corporations as JSC Inter RAO — Electric Power Plants (OJSC) (more than 13,500 employees) and Chelyabinsk Tractor Plant (OJSC) (more than 10,000 employees). The Bank also implemented campus projects for several higher educational institutions of Russia.

During the reporting period, the Bank continued to sign cooperation agreements with promising regions of the country. Agreements were signed with the Omsk, Voronezh and Irkutsk Regions, as well as the Republic of Buryatia and The Krasnoyarsk Territory.



## HR POLICY AND EMPLOYEE INCENTIVES

Personnel of the Bank are highly loyal: most of the employees have worked here for more than four years. At the same time, the recruitment numbers were several times less in the reporting period and more stringent requirements are applied to candidates.

As of 31 December 2013, the Bank's workforce consisted of over 12,700 people, including 10 Doctors of Science and more than 200 PhDs. 88% of GPB's staff had a diploma of higher education.

More than 700 people have been employees of the Bank for longer than 15 years. The average period of service in GPB (OJSC) is:

- 5.4 years for HQ, and
- 4.6 years for branches.

The average age of employees is 37.5 years; 27% of the staff are under 30 years old.

In 2013, due to the changes in the macroeconomic situation, the Bank implemented a package of measures to enhance staff performance and optimize payroll expenses.

In particular, a severe restriction was imposed on personnel numbers (increase in personnel numbers was 2.3 lower versus 2012), and more stringent requirements to new candidates were introduced.

Efforts were made to optimize the forms of the Bank's presence in regions.

Salaries are subject to review on a case-by-case basis: according to annual performance assessment and salary levels offered in the market.

The projects completed in 2013 include a competition of business improvement initiatives among its employees.

The Bank introduced a number of innovative ideas on improvement of business processes, avoidance of non-productive expenses and enhancement of operations efficiency. GPB (OJSC) is one of the pioneers in the application of advanced HR technologies in Russia.

New rules adopted by the regulator (Central Bank of Russia) in 2013, which provide for deferred payments with the option of subsequent deductibility, identification of risk-takers and establishment of dedicated collegial committees, proved the correct nature of the Bank's HR strategy. Having been used consistently over a few years now, this strategy includes many of the tools required presently by the Bank of Russia.

The key objective in personnel management is to maintain the knowledge and skills of employees at a high competitive level. In doing so, the Bank is not limited to conventional forms of training.

In 2013, a group of employees attended CFA Program Level I for the first time. As part of its partnership with IMD business school, GPB (OJSC) introduced a top-management development program. Moreover, over 500 employees of the Bank completed a one-year distance learning course in English with the EF online school. The new knowledge helped them to provide quality services

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According to corporate surveys, the vast majority of the Bank's employees believe it to be the best Russian employer.

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to the participants and guests of the XXII Olympic Winter Games in Sochi. The Bank is actively involved in cooperation with talented youth by organizing training and internship programs, awarding grants and personal scholarships, as well as participating in Career Days in OAO Gazprom. Dedicated training of young specialists goes on in Gazprombank's Economics and Banking department based at the International Institute of Energy Policy and Diplomacy MGIMO. The year 2014 will welcome the first graduation of masters. However, future masters already undertake annual internship programs in the Bank's departments they are willing to join. A bank-wide corporate survey conducted in 2013 confirmed a high level of employee satisfaction, loyalty and involvement, and commitment to the strategic goals set by shareholders. Despite

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the above-mentioned value engineering measures, the survey showed as follows:

- 96% of employees have a stable positive opinion about Gazprombank;
- 92% of employees are fully satisfied with their jobs;
- 90% of employees believe Gazprombank to be the best employer.

Even in an unstable macroeconomic situation, the Bank makes its best effort to create a favorable environment for its staff. They are encouraged to fulfill their potential in full, be proactive and persistent in the achievement of their goals, accept new ideas and keep improving their performance. This approach is the basis of the long-term policy that reflects expectations of the management in respect of the HR management system in GPB (OJSC) and the intent to make it up-to-date and effective.



# INFORMATION TECHNOLOGIES IN BANKING

In 2013, the Bank approved a new IT Development Strategy. It provides for large-scale optimization, typing and centralization of IT systems that support GPB's operations.

According to the Strategy, the key principle of IT development is a transition to a component-based service-oriented architecture. The Bank shifts from solid-state generic applications to specialized banking applications interfacing via an enterprise service bus. When selecting IT platforms and applications, Gazprombank gives preference to well-tested solutions from the world's leaders in the industry and leading Russian software designers, such as:

- IBM;
- Hewlett-Packard;
- EMC;
- Cisco;
- Avaya;
- Oracle;
- Microsoft;
- SAP AG;
- SAS;
- Calypso;
- Diasoft;
- CFT;
- Bank Soft Systems;
- Prognoz;
- Elar.

These are the Bank's top-priority areas of IT development for 2013:

- introduction of a Calypso-based software module to support interbank conversion operations;
- introduction of a bank-wide centralized technology to maintain customer dossiers;
- introduction of a Saperion-based electronic archive;
- development of an integration platform based on WebSphere solutions by IBM;
- centralization of IT systems designed to support the Bank's settlement operations;

- creation of a common information space for the Bank's accounting services based on GPB's General Ledger IT system.

Another separate area of work is the improvement of information and technological support provided to the Risk Management Division. One of tangible results in 2013 was the launch of the Internal Ratings automated system. This software package designed by Prognoz ensures complete centralizing of corporate customer rating by credit operations.

In 2013, Gazprombank implemented a number of IT projects on centralization of banking applications and IT infrastructure. More branches were connected to the Bank's centralized payment system based on the SC-CFT software package. Some pilot branches were integrated into the centralized automated accounting system.

Hardware designed to create and maintain the Bank's centralized electronic archive was completed and launched for use. This hardware ensures accumulation and prompt update of the corporate customer dossiers. GPB (OJSC) started transferring internal documents of the main operational units to the electronic archive.

Gazprombank finds it highly important to ensure support to business continuity. That is why a second data processing center was created in 2013. This center will be maintained by HQ personnel and will help to make

the Bank's IT infrastructure much more disaster-tolerant. During the past year, the centralized IT infrastructure of the data processing centers and storage systems based on the latest IBM, HP, Oracle, Symantec and EMC technologies was upgraded as scheduled. Within the next two years, the Bank will be focused on implementation of the projects outlined in the IT development strategy. Priority projects in 2014:

- centralization of IT systems designed to support accounting operations;
- business continuity support;
- development of an information quality control system for transactional and analytical systems.

The ultimate goal of Gazprombank's efforts on introduction of the new IT technologies is to expand the range of and improve customer services.

Therefore, special attention is paid to their information component.

There is also an active development of cloud services. For example, in 2013 the Bank offered its customers a brand-new service, i.e. an electronic trading platform (ETP). During the first year of operation, the trading volume within

this platform amounted to RUR 540 billion. The average number of bids per lot exceeds three. This is indicative of a high interest of suppliers in the new service.

The platform is based on a SaaS (software as a service) model. It consists of services for large corporate customers. This makes it different from existing platforms for mass-scale electronic auctions. The ETP service model provides all types of trading and additionally offers:

- evaluation of TCO of a purchased lot;
- assessment of risks relating to an offering supplier;
- management of stock item catalogues;
- update of a customer's e-commerce reference books in compliance with the international format;
- direct auctions and support of a supplier's lifecycle and transaction, including important legal paperwork;
- confirmation of electronic signatures issued abroad (supported by agreements);
- integration into a customer's business processes at the level of the customer's ERP-system and its Workflow group.



# SOCIAL RESPONSIBILITY

Social responsibility is one of the priority corporate values in Gazprombank. In 2013, Gazprombank successfully implemented about 300 charity and sponsorship projects.

These projects are aimed to support:

- low-income groups of population;
- cultural, scientific and educational institutions;
- non-governmental organizations;
- sports teams and clubs;
- R&D forums and conferences.

Special attention in GPB's charitable activities is paid to supporting low-income groups of population through:

- veteran organizations;
- orphanages;
- boarding schools.

Providing help to orphans is still one of the most important areas of charity for the Bank.

For many years, the Bank has been making donations to Interregional Non-Governmental Charitable Organization SOS Children's Villages. In particular, GPB (OJSC) takes part in the construction of family homes for orphans and provides financial support to the SOS Village in Vologda.

Targeted funds are allocated on a yearly basis to not only support a medical institution, but also pay for medical of children in extremely severe situations. The Bank's donations help to buy medicinal preparations and special equipment, as well as ambulance vehicles.

Patronage of the arts has become the basis of the corporate culture of Gazprombank.

Employees play an active role in annual charity campaigns (for example, the I believe in Santa! charity event), and prepare New Year presents for children from orphanages making their most precious dreams come true.

Moreover, substantial assistance is provided to cultural and educational organizations.

The Bank assists the Moscow Kremlin Museums, the Pushkin State Museum of Fine Arts, the Chekhov Art Theater School and Galina Ulanova Foundation in the implementation of their important projects.

For many years, GPB has been supporting the Russian Dance Union and its events, including European and Russian dance championships, as well as the World Cup.

While realizing the need for modernization of the Russian system for education and training of highly skilled specialists, GPB (OJSC) provides assistance to general, extended, secondary vocational and higher education institutions.

Gazprombank pays personal scholarships to best students from several universities.

In terms of geographical coverage, All-Russian Competition Gazprombank's Working Scholarship has become one of GPB's largest charity initiatives. It is aimed at supporting primary and secondary professional education and popularizing blue-collar jobs. Through this competition the Bank motivates young skilled workers to address the challenges of the real sectors of economy in upgrading and raising efficiency of production. The project covers 30 educational institutions throughout the country.

In promoting a healthy lifestyle, Gazprombank sponsors organizations that encourage their employees to practice football, hockey, rowing, tennis, handball, and other sports.

Special attention is paid to children's sports.

The range of the Bank's charity also includes assistance to environmental protection campaigns. Specifically, environmental work on Bely Island in the Yamalo-Nenets Autonomous District was financed.



A photograph of three young children lying on their stomachs on a bed of yellow and orange autumn leaves. The child on the left is a boy with light brown hair, wearing a striped shirt and a tan jacket. The child in the middle is a girl with blonde hair, wearing a green and orange striped sweater. The child on the right is a girl with blonde hair, wearing a pink sweater with a large floral brooch. All three children are smiling and looking towards the camera. The background is a dense layer of fallen leaves on a grassy area.

**IN 2013, GAZPROMBANK IMPLEMENTED  
RUSSIA'S FIRST REGIONAL SOCIAL  
INFRASTRUCTURE PROJECT IN THE FORM  
OF A PUBLIC-PRIVATE PARTNERSHIP**

*The Agreement on Public-Private Partnership in the Tomsk Region  
for design, financing, construction and maintenance of 15 pre-school  
educational institutions*



# 03

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## CORPORATE GOVERNANCE



# SHAREHOLDERS

Full name	Share in GPB's capital, %	
	As of 1 January 2013	As of 1 January 2014
OAO Gazprom	35.5414	35.5414
Non-State Pension Fund GAZFOND Group, including:	47.3820	49.6462
Non-State Pension Fund GAZFOND	6.0798	6.0798
Open Joint-Stock Company GAZ-Tech	8.8479	11.1125
Open Joint-Stock Company GAZ-Service	16.2223	16.2223
Open Joint-Stock Company GAZKON	16.2320	16.2316
ZAO Leader, Trust Management	2.6180	0.3534
ZAO Leader	–	0.0004
New Financial Technologies LLC	3.7118	3.0918
Regional Financial Company LLC	–	0.7798
Bank for Development and Foreign Economic Affairs (Vnesheconombank)	10.1906	10.1906
Individuals	0.5562	0.3964

# BOARD OF DIRECTORS, MANAGEMENT BOARD

## Board of Directors (As of 1 January 2014)

	<b>Chairman of the Board of Directors</b>
Alexey B. Miller	Chairman of the Management Board of OAO Gazprom
	<b>Deputy Chairman of the Board of Directors</b>
Andrey I. Akimov	Chairman of the Management Board of Gazprombank (Open Joint-Stock Company)
Mikhail L. Sereda	Deputy Chairman of the Management Board, Chief Administration Officer of OAO Gazprom
Yury N. Shamalov	President of Non-State Pension Fund GAZFOND
	<b>Members of the Board of Directors</b>
Yelena A. Vasilyeva	Deputy Chairperson of OAO Gazprom Management Board, Chief Accountant of OAO Gazprom
Anatoly A. Gavrilenko	Chief Executive Officer of ZAO Leader
Ilya V. Eliseev	Deputy Chairman of the Management Board of Gazprombank (Open Joint-Stock Company)
Sergey S. Ivanov	Chairman of the Management Board of OJSC SOGAZ
Yulia S. Karpova	Deputy Chairman of Vnesheconombank
Andrey V. Kruglov	Deputy Chairman of the Management Board, Head of OAO Gazprom Financial and Economic Department
Kirill G. Seleznev	Member of OAO Gazprom Management Board, Head of the Gas & Liquid Hydrocarbons Processing and Marketing Department
Nikolay Y. Senkevich	First Vice President of Gazprombank (Open Joint-Stock Company), Advisor to the Chairman of OAO Gazprom Management Board

## Management Board (As of 1 January 2014)

Andrey I. Akimov	Chairman of the Management Board
Oleg M. Vaksman	Deputy Chairman of the Management Board
Ilya V. Eliseev	Deputy Chairman of the Management Board
Viktor A. Komanov	Deputy Chairman of the Management Board
Nikolay G. Korenev	Deputy Chairman of the Management Board
Viktor B. Korytov	Deputy Chairman of the Management Board
Svetlana E. Malyuseva	Deputy Chairperson of the Management Board, Chief Accountant of the Bank
Alexey A. Matveev	Deputy Chairman of the Management Board
Aleksandr Y. Muranov	Deputy Chairman of the Management Board
Famil K. Sadygov	Deputy Chairman of the Management Board
Aleksandr I. Sobol	Deputy Chairman of the Management Board
Natalia A. Chervonenko	Deputy Chairperson of the Management Board
Dmitry V. Zauers	First Vice President
Andrey B. Knyazev	First Vice President
Andrey A. Pimenov	First Vice President
Igor V. Rusanov	First Vice President
Valery A. Seregin	First Vice President
Ekaterina V. Trofimova	First Vice President
Yan V. Tsenter	First Vice President



# PERFORMANCE OF THE BANK'S BOARD OF DIRECTORS AND MANAGEMENT BOARD

In 2013, GPB's management bodies traditionally sought to improve the corporate governance system.

Following the recommendations and requirements of the Bank of Russia, GPB (OJSC) undertook comprehensive work to analyze the systems of corporate governance, risk management and capital adequacy management according to Basel II/III standards. New Federal Law No. 146-FZ On Amendments to Individual Legislative Acts of the Russian Federation of 2 July 2013 introduced material changes to the corporate government system of credit organizations. An action plan was adopted by GPB (OJSC) to implement the provisions of this federal law.

In 2013, Gazprombank initiated revision of about 50 internal regulatory documents that defined the basis of the corporate government system for both the Bank and GPB Group.

These included:

- the Bank's Charter;
- the Statute of the General Meeting of Shareholders, Management Board, and executive bodies;
- Corporate Governance Code;
- corporate policies and other documents.

This work will continue in 2014, too.

Two General Meetings of Shareholders were held in the reporting year, including an extraordinary one in January to approve a new edition of the Regulations on GPB's Revision Commission, and an annual meeting in June which approved GPB's Annual Report 2012 and the net

profit distribution pattern; also, members of GPB's Board of Directors were elected, and other issues were addressed.

The Board of Directors has held 21 sessions.

These meetings were focused on identification of strategic long-term development objectives for the Bank as a whole and its individual business activities. In particular, the Board of Directors reviewed Gazprombank's performance over specific periods and approved GPB Group's financial plan for the year 2014.

Besides, decisions were made on optimization of the Bank's branch network: six branches were converted to operational offices.

The Board of Directors oversaw operations of Gazprombank and its executive bodies, which helped to assess impartially as to how well they corresponded to the nature, scale and conditions of GPB's development.

The following reports were considered throughout the year:

- reports prepared by the Internal Control Service;
- reports prepared by the Compliance Control Service;
- reports prepared by the Controller of the Bank as a professional securities market player;
- reports prepared by the Controller of the Bank's specialized depository;

- reports prepared by other services in charge of internal control for the purpose of preventing illegal use of insider information and market manipulation.

The Board of Directors played an important role in ensuring more effective interaction between the Bank's shareholders and management, including the monitoring of compliance with the List of Measures designed to enhance interaction between Gazprombank and OAO Gazprom, its main shareholder, in 2013. The Audit Committee of Gazprombank's Board of Directors worked routinely on the issues of competence. It managed to dramatically improve the process of preparing draft documents and proposals to be reviewed by the Board of Directors.

In eight sessions of the Committee, the efficiency of the Bank's internal control and compliance control procedures was assessed.

Moreover, draft plans prepared for the Internal Control Service and Controller of the Bank as a professional securities market player, and relevant progress reports were reviewed. The Committee also considered the matter

of GPB's auditor appointment for 2013 and listened to the Bank's Auditor Report (by KPMG) on the audit of financial statements of GPB (OJSC) and its subsidiaries for the previous reporting year.

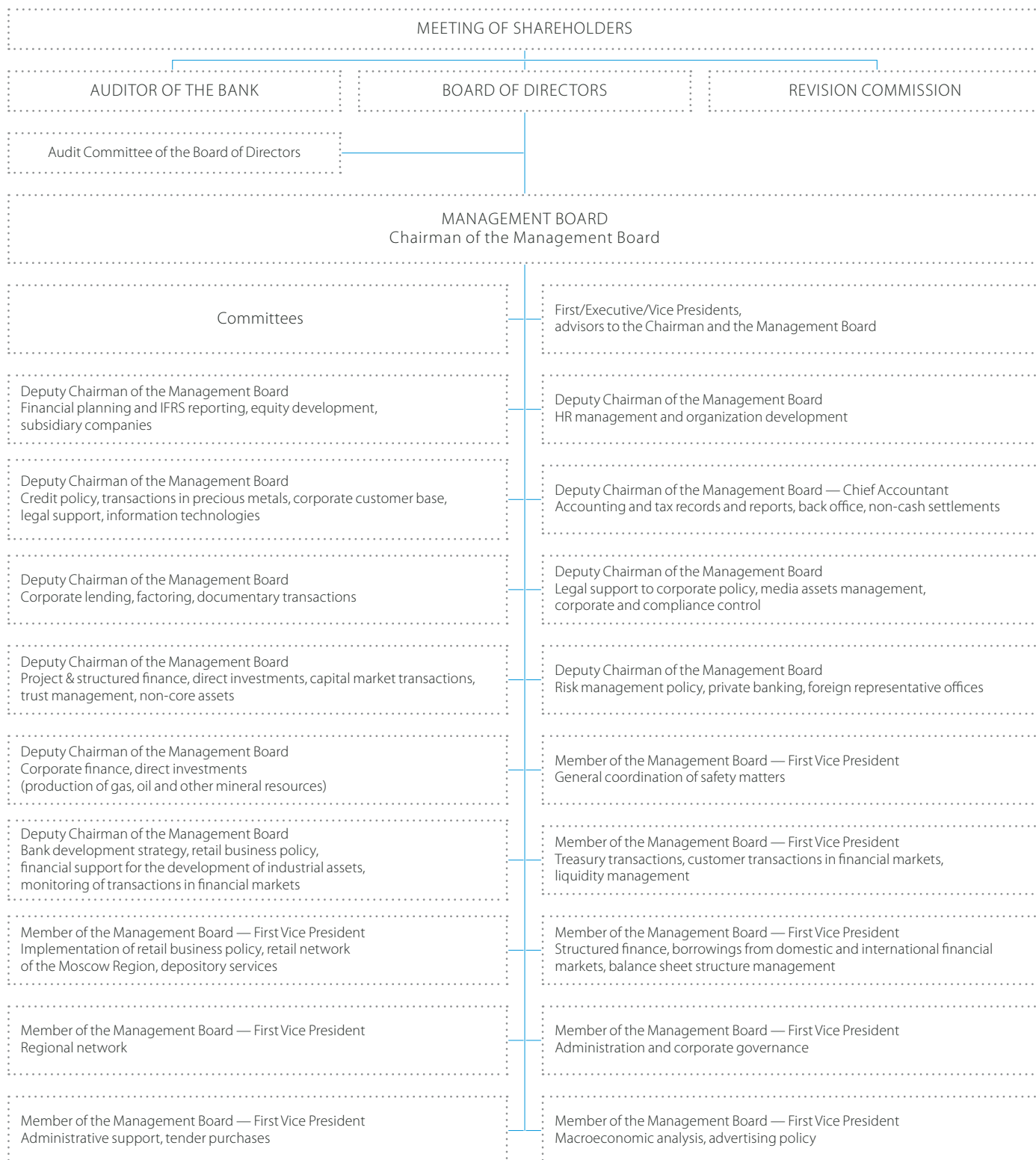
In 2013, the Management Board addressed 352 matters referred to its exclusive competence during 76 sessions. The Management Board determined priorities and made decisions regarding the Bank's financial policy, management of liquidity, assets and liabilities, allocation of economic capital and risk management.

Other issues were discussed and then submitted for review by the Bank's Board of Directors.

The Management Board regularly listened to presentations on financial plans and reports, banking technologies, strategic development and reports on the Bank's individual lines of business. Special attention was paid to developing regional business (more than ¼ of all issues addressed) and analyzing the operations of the Bank's key organizational units and branches.



# ORGANIZATIONAL MANAGEMENT FLOWCHART OF GAZPROMBANK (OPEN JOINT-STOCK COMPANY)



# INTERNAL CONTROL AND AUDITING

Gazprombank's Internal Control System is an integral part of the corporate governance system and one of the main factors driving the Bank's efficient performance.

GPB (OJSC) maintains an integrated approach to internal control procedures. In accordance with generally accepted international practices, these internal control procedures encompass all management levels of the Bank, and all types of its business, including branches and units. Subsidiary banks apply the Unified Standards in arranging their own internal control systems.

The Audit Committee of the Board of Directors of Gazprombank assesses the efficiency of the Bank's internal control procedures and prepares initiatives on their improvement. The Committee investigates all aspects relating to these areas of responsibility before making submissions to the Board of Directors.

The culture of internal control, i.e. all moral and ethic standards, professional standards and corporate culture aimed at ensuring that personnel at all levels are aware of the importance, significance and necessity of internal controls, is a fundamental component of the Bank's Internal Control System.

The Bank's management bodies are responsible for creating a corporate culture that enables banking monitoring.

The effective functioning of the Bank's Internal Control System is ensured by the Internal Control Service (ICS) that directly assists the Bank's management bodies in ensuring the effective performance of the Bank.

The ICS reports directly to the Bank's Board of Directors.

The Board of Directors approves ICS work plans and follows up on them, review ICS reports on inspections and monitoring of the Internal

Control System, as well as execution of measures and recommendations on how to remedy the identified defects and deficiencies; analyzes availability of resources, including appointment of the ICS's managerial staff.

The ICS's primary method of control as part of the Internal Control System consists of regular inspections. These are conducted to collect independent, unbiased and up-to-date information and submit it to the management bodies in order to identify:

- defects in the internal control and risk managements systems;
- whether the Internal Control System is effective in respect of the audited entity;
- compliance of the Bank's performance to the Russian legislation, internal regulations of the Bank and resolutions of the Bank's management bodies;
- actions taken to remedy defects and deficiencies and mitigate risks.

The ICS continuously monitors the Internal Control System, identifies issues of concern relating to the system performance, as well as designs measures to improve and raise the efficiency of the system. Alongside with the ICS, the performance of the Internal Control System is monitored by the Bank's management bodies, heads and employees of its structural units, and an independent auditor.

The outcomes of the Bank's Internal Control System assessment are regularly reviewed by the Corporate Governance and Remuneration Committee and brought to the attention of the Bank's Board of Directors.

# COMPLIANCE CONTROL

The purpose of compliance control is to identify and prevent the occurrence of compliance risks and to assume effective measures to manage them. Taking into account the interests of all parties, compliance control helps to prevent and significantly mitigate negative effects on the Bank, its shareholders and customers.

Compliance control is exercised by the Bank on a regular basis and constitutes an integral part of the Internal Control System. In accordance with the recommendations of the Basel Committee on Banking Supervision, the Bank has created a Compliance Control Department (CCD), whose main function is to monitor compliance with applicable rules, requirements and banking standards, including professional ethical standards and compliance risk management.

The CCD's responsibilities include the development of the compliance risk management strategy and provision of advisory and methodological support to the Bank's units. Moreover, the CCD's functions include:

- management of conflicts of interest that may arise in connection with the Bank's business;
- monitoring the resolution of customer complaints;
- monitoring compliance with legislation on protection against illegal use of insider information and market manipulation on part of Gazprombank, its employees and customers.

In the course of performing its functions, the CCD interacts with the Audit Committee of the Bank's Board of Directors, whose functions include assessing the efficiency of the compliance control procedures applied by the Bank, preparing proposals on improving these procedures, and resolving issues associated with the management of compliance risks on a day-to-day basis.

Reports on the CCD's performance and all compliance risks revealed are submitted to the Bank's Board of Directors on an annual basis. In addition, the CCD submits quarterly follow-up reports to the Board of Directors on the measures taken to prevent illegal use of insider information and market manipulation. The CCD's officers are members of the AML/CFT<sup>1</sup> and Risk Compliance Committee of the Russian Banking association and non-commercial partnership "National Payments Council" (NPC).

<sup>1</sup> AML/CFT — Anti-Money Laundering/Combating the Financing of Terrorism



# 04

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## FINANCIAL STATEMENTS

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SUMMARY CONSOLIDATED  
FINANCIAL STATEMENTS  
DERIVED FROM THE AUDITED  
CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE YEAR  
ENDED 31 DECEMBER 2013

ZAO KPMG  
10 Presnenskaya Naberezhnaya  
Moscow Russia 123317  
Telephone +7 (495) 937 4477  
Fax +7 (495) 937 4400/99  
Internet www.kpmg.ru

# REPORT OF THE AUDITORS ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

**Audited entity:**  
Gazprombank  
(Open Joint Stock Company).  
Registered by the State Bank  
of the USSR on 31 July 1990,  
Registration No. 354.  
Registered by the Central  
Bank of the Russian Federation  
on 23 January 1992, Registration  
No. 354.  
Entered in the Unified State  
Register of Legal Entities  
on 28 August 2002 by Moscow

Division of the Ministry of taxes  
and duties of the Russian  
Federation, Registration  
No. 1027700167110, Certificate  
series 77 No. 004890355.

**Address of the audited entity:**  
Bld. 1, 16 Nametkina street,  
Moscow, 117420.

**Independent auditor:**  
ZAO KPMG, a company  
incorporated under the Laws  
of the Russian Federation,  
a part of the KPMG Europe

LLP group, and a member firm  
of the KPMG network of inde-  
pendent member firms affiliated  
with KPMG International Coop-  
erative ("KPMG International"),  
a Swiss entity.  
Registered by the Moscow  
Registration Chamber  
on 25 May 1992, Registration  
No. 011.585.  
Entered in the Unified State  
Register of Legal Entities  
on 13 August 2002 by Moscow

Inter-Regional Tax Inspectorate  
No. 39 of the Ministry of Taxes  
and Duties of the Russian  
Federation, Registration  
No. 1027700125628, Certificate  
series 77 No. 005721432.  
Member of the Non-commer-  
cial Partnership "Chamber  
of Auditors of Russia". The Prin-  
cipal Registration Number  
of the Entry in the State Register  
of Auditors and Audit Organisa-  
tions: No.10301000804.

## To the Shareholders and the Board of Directors of Gazprombank (Open Joint-Stock Company)

The accompanying summary consoli-  
dated financial statements, which comprise  
the summary consolidated statement  
of financial position as at 31 December  
2013, the summary consolidated statements  
of profit or loss and other comprehensive  
income, changes in equity and cash flows  
for 2013, and related notes, are derived from  
the audited consolidated financial state-  
ments of Gazprombank (Open Joint-Stock  
Company) and its subsidiaries (the Group)  
as at and for the year ended 31 December 2013.  
We expressed an unmodified audit opinion  
on those consolidated financial statements  
in our report dated 28 March 2014.

The summary consolidated financial statements  
do not contain all the disclosures required  
by International Financial Reporting Standards.  
Reading the summary consolidated finan-  
cial statements, therefore, is not a substitute  
for reading the audited consolidated financial  
statements of the Group.

## Management's Responsibility for the Summary Consolidated Financial Statements

Management is responsible for the preparation  
of a summary of the audited consolidated finan-  
cial statements on the basis described in Note 2.

## Auditors' Responsibility

Our responsibility is to express an opinion  
on the summary consolidated financial state-  
ments based on our procedures, which were  
conducted in accordance with International  
Standard on Auditing (ISA) 810 Engagements  
to Report on Summary Financial Statements.

## Opinion

In our opinion, the summary consolidated  
financial statements derived from the audited  
consolidated financial statements of the Group  
as at and for the year ended 31 December 2013  
are consistent, in all material respects, with those  
consolidated financial statements on the basis  
described in Note 2.

Malyutina M.S.  
Director  
Power of attorney dated 1 October 2013 No. 77/13  
ZAO KPMG  
Moscow, Russian Federation  
28 March 2014

**GAZPROMBANK GROUP  
SUMMARY CONSOLIDATED  
STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE  
INCOME FOR THE YEAR  
ENDED 31 DECEMBER 2013**

(in millions of Russian Rubles unless otherwise stated)

	2013	2012
Interest income	213,196	175,716
Interest expense	(128,476)	(114,575)
<b>Net interest income</b>	<b>84,720</b>	<b>61,141</b>
Impairment of interest earning assets	(14,474)	(10,327)
<b>Net interest income after impairment of interest earning assets</b>	<b>70,246</b>	<b>50,814</b>
Fees and commissions income	18,586	17,130
Fees and commissions expenses	(6,317)	(5,005)
Non-interest (loss) income from financial assets and liabilities held for trading, net	(4,380)	6,624
Gain from investments available-for-sale and investments in associates, net	13,707	10,491
Gain from trading in foreign currencies, operations with foreign currency derivatives and foreign exchange translation, net	5,554	3,517
Other operating income	6,480	6,243
<b>Non-interest income</b>	<b>33,630</b>	<b>39,000</b>
Non-banking operating revenues	154,537	150,115
Non-banking operating expenses	(146,425)	(133,676)
<b>Non-banking operating profits</b>	<b>8,112</b>	<b>16,439</b>
Banking salaries and employment benefits	(34,687)	(32,729)
Banking administrative expenses	(24,920)	(21,955)
Impairment of assets and provisions for other risks	(8,510)	(5,275)
Impairment of goodwill	(290)	(3,267)
<b>Non-interest expense</b>	<b>(68,407)</b>	<b>(63,226)</b>
<b>Profit before profit tax</b>	<b>43,581</b>	<b>43,027</b>
Profit tax expense	(10,539)	(12,146)
<b>Profit for the year</b>	<b>33,042</b>	<b>30,881</b>



	2013	2012
<b>Other comprehensive income (loss)</b>		
<i>Items that are or may be reclassified to profit or loss in subsequent periods:</i>		
Investments available-for-sale:		
Net change in fair value of investments available-for-sale	7,964	(55)
Net change in fair value transferred to profit or loss	(10,398)	(3,542)
Net impairment of available-for-sale investments transferred to profit or loss	1,385	–
Exchange differences on translation of foreign operations	1,940	–
<b>Total other comprehensive income (loss), net of tax</b>	<b>891</b>	<b>(3,597)</b>
<b>Total comprehensive income for the year</b>	<b>33,933</b>	<b>27,284</b>
<b>Profit for the year attributable to:</b>		
Group's shareholders	32,062	31,329
Non-controlling interests	980	(448)
	<b>33,042</b>	<b>30,881</b>
<b>Total comprehensive income attributable to:</b>		
Group's shareholders	32,853	27,682
Non-controlling interests	1,080	(398)
	<b>33,933</b>	<b>27,284</b>

The summary consolidated financial statements were derived from the consolidated financial statements of Gazprombank Group, which were approved for issue by the Management Board of Gazprombank (Open Joint Stock Company) and signed on its behalf on 28 March 2014.

The summary consolidated financial statements should be read in conjunction with the consolidated financial statements of the Gazprombank Group from which they were derived.

Signed on behalf of the Management Board:

.....  
Alexander Y. Muranov

Acting Chairman of the Management Board

.....  
Alexander I. Sobol

Deputy Chairman of the Management Board

.....  
28 March 2014

**GAZPROMBANK GROUP**  
**SUMMARY CONSOLIDATED STATEMENT**  
**OF FINANCIAL POSITION**  
**AS OF 31 DECEMBER 2013**

(in millions of Russian Rubles unless otherwise stated)

	31 December 2013	31 December 2012
<b>Assets</b>		
Cash and cash equivalents	521,861	432,138
Obligatory reserve with the Central Bank of the Russian Federation	26,155	28,186
Due from credit institutions	7,346	6,572
Financial assets held for trading	293,277	236,518
<i>of which pledged under sale and repurchase agreements</i>	123,914	40,152
Loans to customers	2,355,869	1,757,541
<i>of which pledged under borrowing agreements</i>	128,641	–
Investments available-for-sale	45,609	52,937
<i>of which pledged under sale and repurchase agreements</i>	18,312	–
Investments in associates	52,862	32,764
Receivables and prepayments	81,098	62,714
Investments held-to-maturity	33,320	12,998
<i>of which pledged under sale and repurchase agreements</i>	4,080	–
Inventories	57,152	60,407
Deferred tax assets	19,780	14,385
Property, plant and equipment	81,649	73,857
Intangibles	33,516	31,290
Goodwill	23,795	24,085
Other assets	13,691	14,648
<b>Total assets</b>	<b>3,646,980</b>	<b>2,841,040</b>

	31 December 2013	31 December 2012
<b>Liabilities</b>		
Financial liabilities held for trading	3,214	3,115
Amounts owed to credit institutions	430,222	303,677
Amounts owed to customers	2,260,816	1,742,999
Bonds issued	341,074	262,434
Deferred tax liabilities	6,628	5,520
Subordinated debts	97,092	57,363
Other liabilities	104,869	102,470
<b>Total liabilities</b>	<b>3,243,915</b>	<b>2,477,578</b>
<b>Equity</b>		
Share capital	36,370	36,370
Additional paid-in capital	109,103	102,201
Treasury shares	(8,060)	(11,163)
Perpetual debt issued	32,729	30,373
Foreign currency translation reserve	1,969	129
Fair value reserve	(503)	546
Retained earnings	225,866	201,304
<b>Total equity attributable to the Group's shareholders</b>	<b>397,474</b>	<b>359,760</b>
Non-controlling interests	5,591	3,702
<b>Total equity</b>	<b>403,065</b>	<b>363,462</b>
<b>Total liabilities and equity</b>	<b>3,646,980</b>	<b>2,841,040</b>

The summary consolidated financial statements should be read in conjunction with the consolidated financial statements of the Gazprombank Group from which they were derived.

Signed on behalf of the Management Board:

.....

Alexander Y. Muranov

Acting Chairman of the Management Board

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Alexander I. Sobol

Deputy Chairman of the Management Board

.....

28 March 2014



**GAZPROMBANK GROUP  
SUMMARY CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
31 DECEMBER 2013**

(in millions of Russian Rubles unless otherwise stated)

	Share capital	Additional paid-in capital	Treasury shares
31 December 2011	31,836	32,478	(9,696)
Profit for the year	–	–	–
<i>Items that are or may be reclassified to profit or loss in subsequent periods:</i>			
Net change in fair value of investments available-for-sale	–	–	–
Net change in fair value transferred to profit or loss	–	–	–
Exchange difference on translating foreign operations	–	–	–
<i>Total items that are or may be reclassified to profit or loss in subsequent periods</i>	–	–	–
<b>Total comprehensive income</b>	–	–	–
Additional share issue	4,534	68,285	(34)
Perpetual debt issued	–	–	–
Foreign exchange translation of perpetual debt issued	–	–	–
Transaction costs on perpetual debt issued	–	–	–
Tax effect on perpetual debt issued	–	–	–
Acquisition and disposal of non-controlling interests in subsidiaries	–	–	–
Acquisition of subsidiaries	–	–	–
Dividends paid	–	–	–
Acquisition and sale of treasury shares	–	2,483	(1,433)
Transfer of puttable instruments to liability	–	(1,045)	–
Other distribution	–	–	–
31 December 2012	36,370	102,201	(11,163)

Perpetual debt	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to Group's shareholders	Non-controlling interests	Total equity
–	179	4,143	180,350	239,290	3,650	242,940
–	–	–	31,329	31,329	(448)	30,881
–	–	(55)	–	(55)	–	(55)
–	–	(3,542)	–	(3,542)	–	(3,542)
–	(50)	–	–	(50)	50	–
–	(50)	(3,597)	–	(3,647)	50	(3,597)
–	(50)	(3,597)	31,329	27,682	(398)	27,284
–	–	–	–	72,785	–	72,785
31,304	–	–	–	31,304	–	31,304
(931)	–	–	931	–	–	–
–	–	–	(430)	(430)	–	(430)
–	–	–	(100)	(100)	–	(100)
–	–	–	(604)	(604)	(10)	(614)
–	–	–	–	–	542	542
–	–	–	(5,707)	(5,707)	(82)	(5,789)
–	–	–	–	1,050	–	1,050
–	–	–	–	(1,045)	–	(1,045)
–	–	–	(4,465)	(4,465)	–	(4,465)
30,373	129	546	201,304	359,760	3,702	363,462

The summary consolidated financial statements should be read in conjunction with the consolidated financial statements of the Gazprombank Group from which they were derived.

**GAZPROMBANK GROUP  
SUMMARY CONSOLIDATED STATEMENT  
OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
31 DECEMBER 2013**

(in millions of Russian Rubles unless otherwise stated)

	Share capital	Additional paid-in capital	Treasury shares
31 December 2012	36,370	102,201	(11,163)
Profit for the year	–	–	–
<i>Items that are or may be reclassified to profit or loss in subsequent periods:</i>			
Net change in fair value of investments available-for-sale	–	–	–
Net change in fair value transferred to profit or loss	–	–	–
Impairment of investments available-for-sale transferred to profit or loss	–	–	–
Exchange difference on translating foreign operations	–	–	–
<i>Total items that are or may be reclassified to profit or loss in subsequent periods</i>	–	–	–
<b>Total comprehensive income</b>	–	–	–
Coupon paid on perpetual debt issued	–	–	–
Foreign exchange translation of perpetual debt issued	–	–	–
Transaction costs on perpetual debt issued	–	–	–
Tax effect on perpetual debt issued	–	–	–
Acquisition and disposal of non-controlling interests in subsidiaries	–	–	–
Dividends paid	–	–	–
Acquisition and sale of treasury shares	–	7,577	3,103
Transfer of puttable instruments to liability	–	(675)	–
Other movements	–	–	–
31 December 2013	36,370	109,103	(8,060)

Perpetual debt	Foreign currency translation reserve	Fair value reserve	Retained earnings	Equity attributable to Group's shareholders	Non-controlling interests	Total equity
30,373	129	546	201,304	359,760	3,702	363,462
–	–	–	32,062	32,062	980	33,042
–	–	7,964	–	7,964	–	7,964
–	–	(10,398)	–	(10,398)	–	(10,398)
–	–	1,385	–	1,385	–	1,385
–	1,840	–	–	1,840	100	1,940
–	1,840	(1,049)	–	791	100	891
–	1,840	(1,049)	32,062	32,853	1,080	33,933
–	–	–	(2,483)	(2,483)	–	(2,483)
2,356	–	–	(2,356)	–	–	–
–	–	–	(2,146)	(2,146)	–	(2,146)
–	–	–	1,397	1,397	–	1,397
–	–	–	2,426	2,426	943	3,369
–	–	–	(5,791)	(5,791)	(134)	(5,925)
–	–	–	–	10,680	–	10,680
–	–	–	–	(675)	–	(675)
–	–	–	1,453	1,453	–	1,453
32,729	1,969	(503)	225,866	397,474	5,591	403,065

The summary consolidated financial statements should be read in conjunction with the consolidated financial statements of the Gazprombank Group from which they were derived.

Signed on behalf of the Management Board:

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Alexander Y. Muranov

Acting Chairman of the Management Board

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Alexander I. Sobol

Deputy Chairman of the Management Board

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28 March 2014

## GAZPROMBANK GROUP SUMMARY CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

(in millions of Russian Rubles unless otherwise stated)

	2013	2012
<b>Cash flows from operating activities</b>		
Interest received	206,272	173,939
Fees and commissions received	18,450	17,338
Interest paid	(124,513)	(99,039)
Fees and commissions paid	(6,139)	(5,323)
Non-interest (payments) receipts from financial assets and liabilities held for trading	(3,260)	1,897
Payments from derivative contracts with foreign currency	(2,490)	(2,689)
Foreign exchange receipts (payments)	9,276	(1,329)
Media business operating receipts	51,182	52,276
Media business operating payments	(21,496)	(21,569)
Machinery business operating receipts	57,036	65,303
Machinery business operating payments	(58,640)	(56,789)
Other segment operating receipts	34,440	32,536
Other segment operating payments	(38,242)	(32,613)
Other operating receipts	3,369	4,072
Banking salaries and employment benefit payments	(35,847)	(30,145)
Banking administrative expenses and other operating payments	(20,458)	(20,562)
<b>Cash flows from operating activities before changes in operating assets and liabilities</b>	<b>68,940</b>	<b>77,303</b>
<b>(Increase) decrease in operating assets</b>		
Obligatory reserve with the Central Bank of the Russian Federation	2,031	(5,689)
Due from credit institutions	(335)	12,355
Financial assets held for trading	(53,119)	(33,460)
Loans to customers	(546,871)	(396,638)
Other operating assets	908	(17,064)
<b>Increase (decrease) in operating liabilities</b>		
Amounts owed to credit institutions	112,763	23,015
Amounts owed to customers	453,749	213,795
Other operating liabilities	(2,817)	(16,197)
<b>Net cash flows from (used in) operating activities before profit taxes</b>	<b>35,249</b>	<b>(142,580)</b>
Profit taxes paid	(17,183)	(16,232)
<b>Net cash flows from (used in) operating activities</b>	<b>18,066</b>	<b>(158,812)</b>
<b>Cash flows from investing activities</b>		
Property, equipment and intangibles purchased	(47,011)	(43,958)
Property, equipment and intangibles sold	5,442	1,558
Investments available-for-sale and associates purchased and sold	(3,507)	10,275
Investments held-to-maturity purchased	(19,964)	(80)
Dividends received	3,079	2,220
<b>Net cash flows used in investing activities</b>	<b>(61,961)</b>	<b>(29,985)</b>



	2013	2012
<b>Cash flows from financing activities</b>		
Proceeds from issuance of share capital	–	90,000
Treasury shares sold and acquired	10,005	(734)
Bonds issued	105,697	135,574
Bonds redeemed or repurchased	(39,271)	(30,717)
Perpetual debt issued	–	31,304
Coupon and transactions costs on perpetual debt paid	(4,629)	(430)
Syndicated loans received	15,972	15,691
Syndicated loans redeemed	(15,972)	–
Subordinated debts received	39,809	14,732
Subordinated debts repaid	(1,667)	(91,286)
Acquisition of non-controlling interests	(240)	(790)
Disposal of non-controlling interests	3,609	–
Financing of non-banking activities received	3,966	11,384
Financing of non-banking activities redeemed	(2,546)	(14,102)
Dividends paid	(5,925)	(5,789)
Other distributions	–	(4,465)
<b>Net cash flows from financing activities</b>	<b>108,808</b>	<b>150,372</b>
Effect of change in exchange rates on cash and cash equivalents	24,810	(23,197)
<b>Change in cash and cash equivalents</b>	<b>89,723</b>	<b>(61,622)</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>432,138</b>	<b>493,760</b>
<b>Cash and cash equivalents, end of the year</b>	<b>521,861</b>	<b>432,138</b>

The summary consolidated financial statements should be read in conjunction with the consolidated financial statements of the Gazprombank Group from which they were derived.

Signed on behalf of the Management Board:

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Alexander Y. Muranov

Acting Chairman of the Management Board

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Alexander I. Sobol

Deputy Chairman of the Management Board

.....

28 March 2014

## GAZPROMBANK GROUP NOTES TO THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

The summary consolidated financial statements should be read in conjunction with the consolidated financial statements of the Gazprombank Group from which they were derived.

### Note 1 — Principal activities and organization

The Gazprombank Group (the Group) primarily consists of:

- Gazprombank (Open Joint-stock Company), which is the parent company,
  - subsidiary banks, including GPB-Mortgage, CreditUralBank, Gazprombank (Switzerland) Ltd., Gazprombank International S.A. and Areximbank, and a number of smaller financial companies, which support the banking business,
  - several significant non-banking companies.
- Gazprombank (Open Joint-stock Company) (the Bank) was established in 1990. The Bank has a general banking license and a license for operations with precious metals from the Central Bank of the Russian Federation (the CBR), and licenses for securities operations and custody services from the Federal Financial Markets Service of Russia, which in 2013 became a part of the CBR. Its subsidiary banks and companies also have general banking licenses for operations in Switzerland, Luxembourg and Armenia and investment, brokerage and asset management licenses for operations in Cyprus, Luxembourg and Hong Kong. The Bank is the third largest bank in the Russian Federation in terms of assets and equity, and it provides a broad range of commercial and investment banking services to many of Russia's leading corporations, including, among others, OAO Gazprom and its related parties (the Gazprom Group). The principal corporate banking services include: commercial

lending, project and acquisition finance, trade finance, financial and operating leasing, deposit taking, settlements and cash management, capital markets transactions, asset management, brokerage, corporate finance and mergers & acquisitions advisory, depositary and custodian services. The Bank is also involved in private equity transactions, foreign exchange and securities trading, and operations with precious metals.

The Bank provides a range of services to private individuals, including employees of its corporate clients, high net worth individuals and the general public. Retail services include: lending, deposit taking, debit and credit card services, brokerage, asset management and a range of other services.

The Bank has controlling stakes in several non-banking investments, which are consolidated in these summary consolidated financial statements and are presented as separate segments, including:

- OAO Gazprom-Media Holding and its subsidiaries (the Media segment) is a Russian media group of companies, the principal activities of which are TV and radio broadcasting, advertising, publishing, film production and distribution primarily undertaken in the Russian Federation;
- OAO OMZ and its subsidiaries (the OMZ Group) and a number of other industrial assets (together — the Machinery segment). OMZ Group produces nuclear power plant equipment, specialty steels, machinery equipment, manufacturing

and mining equipment. The OMZ Group manufacturing facilities are based in the Russian Federation and the Czech Republic.

The legal address of the Bank is: Bld. 1, 16 Nametkina Str., Moscow, 117420, Russian Federation. As of 31 December 2013, OAO Gazprom owns 35.54% of the outstanding shares of the Group. A substantial portion of the Group's funding is from the Gazprom Group. As such the Group is economically dependent on the Gazprom Group.

The summary consolidated financial statements were authorized for issue by the Management Board of the Bank on 28 March 2014.

## Note 2 — Basis of presentation

### a) General

These summary consolidated financial statements, which comprise the summary consolidated statement of financial position as at 31 December 2013, the summary consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for 2013, and related notes are derived from the audited consolidated financial statements of the Group, except that substantially all note disclosures are omitted.

The complete consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). Management is responsible for the preparation of the consolidated financial statements in accordance with IFRS.

The preparation of the consolidated financial statements in accordance with IFRS requires management to make judgments and key estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial information and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Key areas of judgments and key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, include:

- estimation of allowance for impairment losses for financial assets measured at amortized cost. These include mainly loans to customers, amounts due from credit institutions, receivables and other assets. The estimation of allowance for impairment losses involves the exercise of judgment and is based on internal credit risk rating systems and statistical data;
- valuation of complex and illiquid financial instruments. Valuation of complex and illiquid financial instruments involves the exercise of judgment and use of valuation models. In the absence of an active market management has to make assumptions in respect of appropriate inputs used in valuation models, some of which may not be based on observable market data;
- estimation of fair values of identifiable assets and liabilities acquired in business



combinations. Estimation of fair values of identifiable assets and liabilities acquired in business combinations involves the exercise of judgment and use of valuation models, which among others include assumptions about future business performance and cash flows and appropriate discount rates;

- estimation of impairment losses for non-financial assets (including goodwill). Estimation of impairment losses for non-financial assets involves the exercise of judgment and use of valuation models, which among others include assumptions about future business performance, estimation of cash flows from assets assessed for impairment and estimation of appropriate discount rates;
- assessment of whether the Group has control or significant influence for investments where control or significant influence is determined by contractual arrangements or other factors other than voting rights held by the Group. In particular, in 2013 the Group determined that it obtained significant influence over OAO Sogaz;
- recognition of income from investments, including equity-accounted investees, and estimation of allowance for impairment losses for exposures to counterparties that are located in regions with social unrest and unstable political situation, such as Venezuela and Ukraine.

#### **b) Russian economic environment**

The Group's operations are primarily located in the Russian Federation. Consequently, the Group is exposed to the economic and financial markets of the Russian Federation which display characteristics of a developing market. The legal, tax and regulatory frameworks continue development, but are subject to varying interpretations and frequent changes which together with other legal and fiscal impediments contribute to the challenges faced by entities operating in the Russian Federation. The political and economic instability witnessed in Ukraine has had and may continue to have a negative impact on the Russian economy. Certain sanctions were implemented by EU and USA against Russian officials and businessmen. So far, these events have not had a significant impact on the Group's operations and financial position. However the impact on the consolidated financial statements of future instability in Ukraine, should it continue, and/or additional sanctions against Russia, if they were to be implemented, is at this stage difficult to determine. The summary consolidated financial statements reflect management's assessment of the impact of the Russian business environment on the operations and the financial position of the Group. The future business environment may differ from management's assessment.

#### **c) Basis of measurement**

The summary consolidated financial statements are prepared on the historical cost basis except that financial instruments at fair value through

profit or loss and available-for-sale financial assets are stated at fair value.

**d) Functional and presentation currency**

The functional currency of the Bank and the majority of its subsidiaries is the Russian Ruble (RUB) as, being the national currency of the Russian Federation, it reflects the economic conditions of the majority

of underlying events and circumstances relevant to them.

**e) Changes in accounting policies**

Except for the adoption of new standards and interpretations as of 1 January 2013, the accounting policies are applied consistently to all periods presented in the summary consolidated financial statements. Accounting policies are applied consistently by the Group entities.

The summary consolidated financial statements should be read in conjunction with the consolidated financial statements of the Gazprombank Group from which they were derived.

Signed on behalf of the Management Board:

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Alexander Y. Muranov

Acting Chairman of the Management Board

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Alexander I. Sobol

Deputy Chairman of the Management Board

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28 March 2014

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**REFERENCE  
INFORMATION**



# BRANCHES OF GPB (OJSC)

As of 8 July 2014

Branches	Number and date of registration by CBR	Head of the branch	Address, phone number
Astrakhan	354/15 22 March 1994	Branch Manager Askar N. Kabikeev	5A Nab. Priv. Zatona, the Astrakhan Region, Astrakhan, 414024 (8512) 45-10-10
Belgorod	354/44 13 July 2009	Vice President, Branch Manager Gennady N. Koptyaev	36 Kostyukova St., Belgorod, the Belgorod Region, 308012 (4722) 58-82-92
Vladivostok	354/42 19 March 2009	Branch Manager Dmitry V. Gutnikov	5-a Uborevicha St., Vladivostok, the Primorsky Territory, 690091 (423) 265-08-35
Volgograd	354/10 24 August 1993	Branch Manager Vladimir V. Agafonov	56a Lenin Prospect, Volgograd, the Volgograd Region, 400005 (8442) 24-67-00
Voronezh	354/49 26 June 2013	Branch Manager Oleg V. Tsutsaev	11 Kirova St., Voronezh, the Voronezh Region, 394018 (473) 200-81-55
Yekaterinburg	354/26 24 January 2000	Senior Vice President Yan V. Tsenter	134-v Lunacharskogo St., Yekaterinburg, 620075 (343) 355-58-00
Irkutsk	354/35 31 July 2006	Branch Manager Vyacheslav A. Neupokoyev	41 Sverdlova St., Irkutsk, the Irkutsk Region, 664011 (3952) 28-31-82
Yoshkar-Ola	354/46 17 September 2009	Branch Manager Oleg A. Ovsiyannikov	17 Uspenskaya St., Yoshkar-Ola, the Republic of Marij El, 424000 (8362) 41-66-16
Kazan	354/47 9 February 2010	Vice President, Branch Manager Marat F. Mukhametshin	32 Levo-Bulachnaya St., Kazan, the Republic of Tatarstan, 420111 (843) 221-73-01
Kaliningrad	354/38 2 August 2007	Deputy Branch Manager, Head of Department Olga V. Bolshakova	5 Leninsky Avenue, Kaliningrad, the Kaliningrad Region, 236039 (4012) 30-52-00
Kemerovo	354/36 27 February 2007	Branch Manager Nelly D. Morozenko	3 Sobornaya St., Zavodskoy District, Kemerovo, the Kemerovo Region, 650004 (3842) 34-50-90
Krasnodar	354/2 3 November 1992	Branch Manager Vladislav D. Tsyganesh	11 Dmitrievskaya Damba St., Krasnodar, the Krasnodar Territory, 350033 (861) 210-48-00
Krasnoyarsk	354/34 25 January 2006	Branch Manager Pavel G. Avdeev	87b Akademika Kirenskogo St., Krasnoyarsk, the Krasnoyarsk Territory, 660041 (391) 274-58-00
Makhachkala	354/17 25 August 1994	Branch Manager Tagir I. Gadjiev	24 Ermoshkina St., Makhachkala, the Republic of Dagestan, 367025 (8722) 67-53-45
Nizhny Novgorod	354/4 4 February 1993	Branch Manager Evgeny A. Kogan	3, bld. 5, Piskunova St., Nizhniy Novgorod, 603005 (831) 421-82-00
Novosibirsk	354/29 5 February 2001	Vice President, Branch Manager Namzhil N. Urbanaev	2 Kavaleriyskaya St., Novosibirsk, 630105 (383) 200-10-00
Novy Urengoy, Tyumen Region	354/6 4 February 1993	Vice President, Branch Manager Larisa G. Khomyakova	4, 26 S'ezda KPSS St., Novy Urengoy, the Tyumen Region, 629300 (3494) 93-53-81

Omsk	354/31 23 September 2002	Branch Manager Elena P. Kholopova	2 Magistralnaya St., Omsk, 644088 (3812) 24-50-00
Orenburg	354/22 13 June 1997	Vice President, Branch Manager Elena S. Varnavskaya	18 Pravdi St., Orenburg, 460000 (3532) 73-30-71
Perm	354/32 9 October 2002	Vice President, Branch Manager Alexander N. Zarubey	77A Maksima Gorkogo St., Sverdlovsk District, Perm, the Perm Territory, 614007 (342) 219-00-50
Rostov-on-Don	354/20 11 January 1996	Branch Manager Olga N. Ogurtsova	20/17 Voroshilovskiy Ave., Rostov-on-Don, the Rostov Region, 344006 (863) 249-77-60
Samara	354/37 9 March 2007	Branch Manager Aleskey P. Anfimov	106a, bld. 1, Novo-Sadovaya St., Oktyabrskiy District, Samara, the Samara Region, 443068 (846) 339-69-45
Saint Petersburg	354/13 13 December 1993	Executive Vice President, Branch Manager Olga V. Dragomiretskaya	3-A, Proletarskoy Diktaturi St., Saint-Petersburg, 191124 (812) 301-99-99
Saratov	354/11 24 September 1993	Branch Manager Viktor I. Sverchkov	2/10 Valovaya St., Saratov, 410031 (8452) 39-06-02
Stavropol	354/24 26 December 1997	Deputy Branch Manager Alexander G. Kuritsyn	429b Lenina St., Stavropol, Stavropol Territory, 355012 (8652) 56-67-83
Surgut	354/48 14 July 2010	Branch Manager Maxim E. Nigmatullin	12 Svobody Blvd., Surgut, Khanty-Mansijsk Autonomous Area — Yugra, the Tyumen Region, 628417, (3462) 24-49-80
Tomsk	354/12 19 October 1993	Branch Manager Dmitry N. Litvinenko	7 1905 Goda Lane, Tomsk, the Tomsk Region, 634009 (3822) 61-00-63
Tula	354/3 4 February 1993	Vice President, Branch Manager Valery V. Kuznetsov	106 Prospect Lenina, Tula, 300026 (4872) 50-05-55
Tyumen	354/14 31 January 1994	Branch Manager Valery M. Afonkin	20 Sovetskaya St., Tyumen, the Tyumen Region, 625000 (3452) 79-89-41
Ufa	354/25 3 February 1999	Branch Manager Roza N. Urazgildeyeva	138 Mendeleeva St., Ufa, the Republic of Bashkortostan, 450022 (347) 256-67-80
Khabarovsk	354/40 28 October 2008	Deputy Branch Manager Pavel A. Kononets	46 Turgeneva St., Khabarovsk, the Khabarovsk Territory, 680000 (4212) 41-69-59
Cheboksary	354/41 11 December 2008	Branch Manager Oleg L. Simunov	Office 3, 5 Rechnikov Square, Cheboksary, the Chuvash Republic, 428000 (8352) 30-30-10
Centralny Branch, the Moscow Region	354/28 23 June 2000	Branch Manager Evgeny A. Guzeev	1–1a Proletarsky Ave. Shchelkovo, the Moscow Region, 141100 (496) 255-65-55
Yugorsk, the Tyumen Region	354/5 4 February 1993	Branch Manager Andrey S. Bykov	31 Lenina St., Yugorsk, Sovetsky District, the Tyumen Region, 628260 (34675) 2-04-75
Yuzhno-Sakhalinsk	354/45 23 July 2009	Branch Manager Vladimir I. Shapoval	30 Pobedy Ave., Yuzhno-Sakhalinsk, the Sakhalinsk Region, 693007 (4242) 45-40-00
Yakutsk	354/39 17 October 2008	Branch Manager Dmitry V. Zuev	Floors 1& 2, 18 Ammosova St., Yakutsk, the Republic of Sakha (Yakutia), 677000 (4112) 42-14-03

# REPRESENTATIVE OFFICES OF GPB (OJSC) IN OTHER COUNTRIES

As of 30 June 2014

Gazprombank pays much attention to business development abroad. Presently, GPB's representative offices operate in Beijing, Ulaanbaatar and New Delhi.

The key objectives of the Bank's representative offices in other countries include:

- represent GPB (OJSC) and expand the Bank's business activities in the local banking market;
- establish contacts with local authorities and credit institutions;

- assist in the promotion of the Gazprombank's brand and products in financial markets;
- support business development and implementation of individual projects of the Bank's strategic customers and partners.

GPB (OJSC) plans to expand its presence abroad in 2014. In particular, the Bank will open a representative office in Kazakhstan and incorporate subsidiaries in Hong Kong and the South African Republic.

Offices	Date of opening	Head of the office	Location
Representative Office of Gazprombank (Open Joint-Stock Company) in Beijing (China)	30 August 2006	Nina V. Gorodbina	Central International trade Center, Suite No. 1205 in Tower C, No 6A Jianguomenwai Avenue, Chaoyang District, Beijing, China 100022. Phone: (+86-10) 65-63-05-16
Representative Office of Gazprombank (Open Joint-Stock Company) in Ulaanbaatar (Mongolia)	14 February 2008	Valery A. Kislov	6 Enkh Taivan St., Ulan Bator, Mongolia, 14250 Phone: (+976) 99-10-99-02
Representative Office of Gazprombank (Open Joint-Stock Company) in New Delhi (India)	25 May 2010	Aleksey A. Sovko	10/48 Malcha Marg, Diplomatic Enclave, Chanakyapuri, New Delhi — 110021, Delhi, INDIA Phone: (+9111) 24-10-86-48



# SUBSIDIARY BANKS

As of 1 May 2014

The regional network of GPB (OJSC) includes five subsidiary banks: Areximbank — Gazprombank Group CJSC (the Republic of Armenia), GPB-Ipoteka (Open Joint-Stock Company), Credit Ural Bank (Open Joint-Stock Company, CUB OJSC), Gazprombank (Switzerland) Ltd., GPB International S.A. (Grand Duchy of Luxembourg) and two affiliated banks — Belgazprombank OJSC (the Republic of Belarus) and Russian-Venezuelan commercial bank AKB Eurofinance-Mosnarbank (Open Joint-Stock Company). In July 2013, GPB sold some of its shares in CUB OJSC to New Financial Technologies LLC. After the sale, GPB's share in the bank's equity was 57.3%. The Bank and New Financial Technologies LLC jointly hold 100%.

As the only shareholder of Areximbank — Gazprombank Group CJSC, GPB (OJSC) increased its equity by USD 10 million in July 2013 by conversion of the previously provided subordinate loan.

In 2013, GPB set up a subsidiary in the Grand Duchy of Luxembourg. Equity of GPB International S.A. totals EUR 20.0 million. In October last year, the company obtained a banking license.

Name of the bank	Chairman of the Management Board	Contacts
Areximbank — Gazprombank Group CJSC	CEO <a href="#">Armen S. Khandkarian</a>	10, bldg. 6, Severny Prospect, Erevan, 0001 Republic of Armenia Phone/fax: +374 10 51 4001 e-mail: <a href="mailto:info@areximbank.am">info@areximbank.am</a>
Belgazprombank OJSC	Chairman of the Management Board <a href="#">Viktor D. Babariko</a>	60/2 Pritytskogo St., Minsk, Belarus Republic, 220121 Phone/fax: 8 (375 17) 229-16-29 e-mail: <a href="mailto:bank@bgpb.by">bank@bgpb.by</a>
CUB OJSC	Chairman of the Management Board <a href="#">Vyacheslav V. Berdnikov</a>	17 Gagarina St., Magnitogorsk, the Chelyabinsk Region, 455044 Phone/fax: 8 (3519) 248-930 e-mail: <a href="mailto:office@credital.ru">office@credital.ru</a>
GPB-Ipoteka OJSC	Chairman of the Management Board <a href="#">Eduard A. Arakelov</a>	14 Kolomensky Proezd, Moscow, 115446 Phone: 8 (495) 223-40-40, fax: 8 (495) 223-40-41 e-mail: <a href="mailto:mail@gpb-ipoteka.ru">mail@gpb-ipoteka.ru</a>
Gazprombank (Switzerland) Ltd.	CEO <a href="#">Roman R. Abdulin</a>	Zollikerstrasse 183, CH — 8032 Zurich Switzerland Phone: +41-44-386-86-86 e-mail: <a href="mailto:info@gazprombank.ch">info@gazprombank.ch</a>
OJSC AKB Eurofinance-Mosnarbank	Acting CEO and Chairman of the Management Board <a href="#">Ilya K. Lomakin</a>	29 Novy Arbat St., Moscow, 121099 Phone: (495) 967-81-62, fax: (495) 967-81-33 e-mail: <a href="mailto:info@evrofinance.ru">info@evrofinance.ru</a>
GPB International S.A.	CEO <a href="#">Vladimir M. Ryskin</a> CEO <a href="#">Thomas Kiefer</a>	8-10 Mathias Hardt L-1717 Luxembourg Phone: +352-26-29-75 e-mail: <a href="mailto:info@gazprombank.lu">info@gazprombank.lu</a>

# LICENSES, PERMITS, CERTIFICATES

General Banking License No. 354 re-issued on 12 October 2012.

Designated bank of OAO Gazprom on settlement, lending and other services provided to business entities and organizations in the gas industry.

Certificate of membership in the Professional association of Registrars, Transfer Agents and Depositories (PARTAD) dated 29 September 1994.

License No. 22-000-0-00021 issued by the Federal Financial Markets Service on 13 December 2000, authorizing the business of a specialized depository for investment funds, unit funds and non-governmental pension funds.

Professional securities market player license No. 177-04464-000100 issued by the Federal Financial Markets Service on 10 January 2001, for depository activities.

Professional securities market player license No. 177-04280-010000 issued by the Federal Financial Markets Service on 27 December 2000, for dealer activities.

Professional securities market player license No. 177-04229-100000 issued by the Federal Financial Markets Service on 27 December 2000, for brokerage activities.

Professional securities market player license No. 177-04329-001000 issued by the Federal Financial Markets Service on 27 December 2000, for securities management activities.

License No. 354 of the Bank of Russia for precious metals trading issued on 28 September 2007.

License No.1327 issued by the Federal Financial Markets Service on 25 February 2009, authorizing the business of an exchange intermediary executing on-exchange futures and option transactions.

General Licenses issued by the Ministry of Industry and Trade of the Russian Federation:  
for export of gold – No. 092RU14002000391 dated 26 August 2014;  
for export of silver – No. 092RU14002000390 dated 26 August 2014.

License No. 12703 N authorizing the use of cryptographic equipment issued on 11 February 2013 by the Center for Licensing, Certifying and Protecting State Secrets of the Federal Security Service of Russia.

License No. 0860 issued by the Federal Service for Technical and Export Control on 03 August 2009, authorizing technical protection of confidential information.

Certificate No. 090 of the National Foreign Exchange association.

Notice from the Federal Customs Service of the Russian Federation conferring the right to act as a guarantor in relations with customs authorities (valid from 1 May 2013 until 30 April 2016).

Visa international and Europay International Principal Member.

Certificate No. 1027700167110 issued by the Ministry for Taxes and Duties of the Russian Federation on 28 August 2002, concerning registration in the Unified State Register of Legal Entities.

License No. 4470 authorizing the use of information constituting state secrets issued on 6 December 2012 by the Center for Licensing, Certifying and Protecting State Secrets of the Federal Security Service of Russia, valid until 5 December 2017.

# CONTACT INFORMATION

Full Name:	GAZPROMBANK (Open Joint-Stock Company)
Abbreviated Name:	GPB (OJSC)
Start of Business Operations:	31 July 1990
Legal Address:	16, bld. 1, Nametkina St., Moscow, 117420
Place of business:	63 Novochereomushkinskaya St., Moscow, 117418
Single Help Desk:	(495) 913-74-74
Fax:	(495) 913-73-19
Telex:	412027 GAZ RU
Website:	<a href="http://www.gazprombank.ru">www.gazprombank.ru</a>
E-mail:	<a href="mailto:mailbox@gazprombank.ru">mailbox@gazprombank.ru</a>
SWIFT Code:	GAZPRUMM
Reuters Dealing Code:	GZPM
Correspondent Account:	3010181020000000823 with the Operating Department of Moscow GTU of the Bank of Russia
INN:	7744001497
KPP:	997950001
BIC:	044525823
OKPO:	09807684
OKVED:	65.12
OGRN:	1027700167110 as of 28 August 2002