



**COMMERCIAL BANK FOR THE GAS INDUSTRY**



**ANNUAL REPORT**

---

**2000**



**Victor I.  
TARASOV**

Chairman  
of the Board of Management,  
Commercial Bank  
for the Gas Industry  
'Gazprombank'

## FOREWORD OF THE CHAIRMAN OF THE BOARD

In July 2000 Gazprombank, Commercial Bank for the Gas Industry, marked the tenth anniversary of its foundation.

Throughout the decade Gazprombank as the authorized bank for OAO (Public Joint Stock Company) 'Gazprom' has confidently established itself among the leaders of the Russian banking system. It has become a bank of nation-wide significance offering a wide range of banking services to the companies of the real economy sector.

The validity of Gazprombank's development strategy formulated by its Board of Management was once again convincingly confirmed by the Bank's performance last year as presented in the Annual Report.

It is worth mentioning that in 2000 alongside the growth of the Bank's main financial ratios its operations underwent significant qualitative changes. The efficiency of banking risk management was considerably enhanced; organizational measures to reduce intrabank expenditures and banking operations costs were taken.

Gazprombank has expanded its regional network; interaction of the participants of the Interregional Banking Group

for the Gas Industry has reached a new level. The Bank's foreign economic activities are intensively developing; its partnership links with Western banks and financial companies have deepened. The Bank has noticeably gained in its technological potential.

These measures are taken to constantly maintain the standard of services at the level meeting the gas industry enterprises' and other customers' growing demand for high-quality banking.

Russian and international experts positively assessed the Bank's activities in 2000; for example, international rating agency 'Moody's Investors Service' attributed to Gazprombank the highest rating that can be assigned to a Russian bank.

Gazprombank takes active part in the life of the Russian banking community. In particular, the Bank's proposals to enhance the effectiveness of cooperation between banking and industrial sectors of economy were voiced in the parliament as well as at the most representative banking fora of 2000. These proposals are being either already implemented or considered by the State authorities.

International recognition of Gazprombank is confirmed by its leading role in the activities of the 'Law, Banking, Finance' Committee of the European Business Congress.

Yet positive results achieved by the Bank should not allow us to be complacent. Intensive plans are projected for the next year. Major targets for Gazprombank include further expansion of its client and resource bases, widening of the scope of lending to the gas industry and other spheres of the real economy sector, improvement of banking services to corporate and private customers and further development of joint activities of the Interregional Banking Group for the Gas Industry member-banks.

We thank all our customers and partners for their commitment and confidence in Gazprombank. We wish them every success and hope our fruitful co-operation will continue.

Chairman of the Board



V. I. Tarasov

---

## REFERENCE INFORMATION

---



## GAZPROMBANK'S DETAILS

<b>FULL NAME</b> Commercial Bank for the Gas Industry 'Gazprombank'	<b>LICENSES, AUTHORIZATIONS AND CERTIFICATES</b>	Membership Certificate of the Professional Association of Registrars, Transfer Agents and Depositories (PARTAD) of 29.08.1994.
<b>ABBREVIATED NAME</b> Gazprombank	General License No. 354 of the Bank of Russia, reregistered on 24.02.1997.	General Licenses for the export of precious metals (gold - No.027005501562, silver - No.027005501563 of 23.03.2000) issued by the Ministry of Trade of the Russian Federation.
<b>BEGINNING OF ACTIVITIES</b> 31 July 1990	The authorized bank for OAO 'Gazprom': cash-and-settlement services, lending and other services to enterprises and organizations of the gas industry.	Registration Certificate AB No.004204 issued by the Central State Assay Office (operations with precious metals and precious stones) on 16.12.1999.
<b>HEAD OFFICE ADDRESSES</b> 16-B, Nametkina St., 117420, Moscow 63, Novocheremushkinskaya St., 117418, Moscow	Certificate No. Д0044583823B of 09.04.1997 of the Bank of Russia registering the Bank as a Depository	State Customs Committee's Authorization to act as a guarantor to customs authorities of 01.04.1999 valid till 01.04.2002.
<b>TELEPHONE</b> (095) 913-7474	License of a professional securities market agent No.138-00386-211400 issued by the Federal Commission for Securities on 02.07.1998.	Status of a Principal Member of the VISA International and Europay International clearing systems.
<b>FACSIMILE</b> (095) 719-1686	License of a professional securities market agent for depository activities No.22- 000-0-000-21 issued by the Federal Commission for Securities on 13.12.2000.	
<b>TELEX</b> 412027 GAZ RU		
<b>E-MAIL</b> mailbox@gazprombank.ru		
<b>INTERNET</b> www.gazprombank.ru		
<b>SWIFT CODE</b> GAZPRUMM		
<b>REUTERS DEALING CODE</b> GZPM		
<b>CORRESPONDENT ACCOUNT</b> 30101810200000000823 with OPERU of the Moscow GTU CB RF		
<b>INN</b> 7736011540		
<b>BIK</b> 525823		
<b>OKPO CODE</b> 09807684		
<b>OKONKH CODE</b> 96120		

## GAZPROMBANK PARTICIPANTS

0AO 'Gazprom'  
000 'Gazexport'  
000 'Surgutgazprom'  
000 'Mostransgaz'  
000 'Gazkomplektimpex'  
000 'Tyumentransgaz'  
000 'Yamburggazdobycha'  
000 'Nadymgazprom'  
000 'Volgotransgaz'  
000 'Urengoigazprom'  
0AO 'Severgazbank'  
000 'Yugtransgaz'  
000 'Volgogradtransgaz'  
000 'Permtransgaz'  
000 'Severgazprom'  
000 'Uraltransgaz'  
000 'Lentransgaz'  
000 'Orenburggazprom'  
DAO 'Kostromatrubinvest'  
000 'Tomsktransgaz'  
000 'Mezhregiongaz'  
DAO 'Spetsgazavtotrans'  
0AO 'Volgogradneftemash'  
0AO 'Tsentr-gaz'  
000 'Kubangazprom'  
000 'Astrakhangazprom'  
000 'Kavkaztransgaz'  
000 'New Financial  
Technologies'

# BANK'S MANAGEMENT

## BOARD OF MANAGEMENT

### CHAIRMAN OF THE BOARD

**Victor I.  
TARASOV**

### FIRST DEPUTY CHAIRMAN

**Alexander V.  
CHERNOIVAN**

### DEPUTY CHAIRMEN

**Kirill Y.  
LYOVIN**

**Lidiya N.  
LISOVAYA**

**Nikolai I.  
OLENEV**

**Alexander G.  
PRIMAK**

**Valery A.  
SEREGIN**

**Alexander I.  
SOBOL**

**Pavel V.  
UTKIN**

### MEMBER OF THE BOARD

**Alexander V.  
MURAVIEV**

## BOARD OF DIRECTORS

### CHAIRMAN OF THE BOARD

**Rem I.  
VYAKHIREV**

Chairman of the Board of  
Management, OAO 'Gazprom'

### DEPUTY CHAIRMEN

**Pyotr I.  
RODIONOV**

Deputy Chairman of the Board  
of Management, OAO 'Gazprom'

**Victor I.  
TARASOV**

Chairman of the  
Board of Management,  
Commercial Bank for the Gas  
Industry 'Gazprombank'

## MEMBERS OF THE BOARD OF DIRECTORS

**Alexander G.  
ANANENKOV**

Director General,  
OOO 'Yamburggazdobycha'

**Marina A.  
BEZRUKOVA**

Deputy Director General,  
OOO 'Mezhregiongaz'

**Mikhail V.  
DOKUCHAEV**

Member of the  
Board of Management,  
OAO 'Gazprom'

**Sergei K.  
DUBININ**

Deputy Chairman of the Board  
of Management, OAO 'Gazprom'

**Alexander N.  
KOZACHENKO**

Director General,  
OOO 'Mostransgaz'

**Victor A.  
CHICHELOV**

Director General,  
OOO 'Permtransgaz'

**Alexander A.  
SHKUTA**

Deputy Director General,  
OOO 'Gazexport'



# GAZPROMBANK'S REGIONAL INFRASTRUCTURE

## BRANCHES

### Beloyarsky

7a, Molodosti St., Beloyarsky,  
Tyumen Region, 628621,  
tel. (346-70) 2-2177

### Ekaterinburg

55A, Radishchev St.,  
Ekaterinburg, 620086,  
tel. (343-2) 12-1601

### Krasnodar

36, Dzerzhinsky St.,  
Krasnodar, 350051,  
tel.: (861-2) 22-9170

### Moscow

41, Vernadskogo Prospect,  
Moscow, 117799,  
tel.: (095) 355-9982

### Novy Urengoi

4, 26th CPSU Congress St.,  
N. Urengoi, Tyumen Region, 629300,  
tel.: (349-49) 4-0611

### Rostov

80, Sokolova Prospect,  
Rostov-on-Don, 344024,  
tel.: (863-2) 34-3374

### Stavropol

419, bl.2, Lenin St.,  
Stavropol, 355012,  
tel.: (865-2) 76-2799

### Tyumen

62, Respubliki St.,  
Tyumen, 625026,  
tel.: (345-2) 22-8415

### Tchaikovsky

30, Primorsky Blvd., Tchaikovsky,  
Perm Region, 617740,  
tel.: (342-41) 64-651

### Bryansk

4, Partizan St.,  
Bryansk, 241011,  
tel.(083-2) 74-5896

### Izhevsk

182, Votkinskoye Shosse, Izhevsk,  
Udmurt Republic, 426039,  
tel.: (341-2) 20-7282

### Lipetsk

49a, Gagarina St.,  
Lipetsk, 398002,  
tel.: (074-2) 42-0101

### Nadym

53, Orudzheva Emb., Nadym,  
Tyumen Region, 629736,  
tel.: (345-95) 2-0020

### Novosibirsk

18, Year 1905 St.,  
Novosibirsk, 630132,  
tel.: (383-2) 20-2800

### St. Petersburg

15, Sedova St.,  
St.Petersburg, 193148,  
tel.: (812) 567-6183

### Tomsk

52-e, Pushkin St.,  
Tomsk, 634006,  
tel.: (382-2) 65-7614

### Ufa

138, Mendeleeva St., Ufa,  
Republic of Bashkortostan, 450022,  
tel.: (347-2) 37-9330

### Shyolkovo

1-1a, Proletarsky Prospect,  
Shyolkovo, Moscow Region, 141100,  
tel.: (256) 7-0849

### Astrakhan

12-2, Vorobyeva Pr-d,  
Astrakhan, 414057,  
tel. (752-2) 34-07-88

### Volgograd

34a, Kozlovskaya St.,  
Volgograd, 400011,  
tel. (844-2) 93-0005

### Kostroma

9a, Sovetskaya St.,  
Kostroma,156000,  
tel.: (094-2) 31-3949

### Makhachkala

24, Yermoshkina St., Makhachkala,  
Republic of Dagestan, 367025,  
tel.: (872-2) 67-5359

### Nizhny Novgorod

3/5, Piskunova St.,  
Nizhny Novgorod, 603005,  
tel.: (831-2) 34-0147

### Orenburg

161-Б, Turkestanskaya St.,  
Orenburg, 460021,  
tel.: (353-2) 72-9817

### Saratov

118a, 50-letiya Oktyabrya Prospect,  
Saratov, 410052,  
tel.(845-2) 17-3382

### Tula

108-a, Lenina Prospect,  
Tula, 300904,  
tel.: (087-2) 33-3528

### Ukhta

22/12, 30-letiya Oktyabrya St.,  
Ukhta, Republic of Komi, 169400,  
tel.: (821-47) 7-4653

### Yugorsk

31, Lenina St., Yugorsk,  
Tyumen Region, 628260,  
tel.: (346-75) 2-3910

## BANKS IN WHOSE AUTHORIZED CAPITAL GAZPROMBANK HAS A STAKE

### Russian

#### CB 'Gazenergoprombank'

9, Gazoprovod, Leninsky District,  
Moscow Region, 142770,  
tel.: (095) 420-5567

#### JSCB 'Intrustbank'

3, bld. 1, 5th Monetchikovsky Per.,  
Moscow, 113054,  
tel.: (095) 951-2233

#### JSCB 'Sibirgazbank'

12, Svobody Blvd., Surgut,  
Tyumen Region, 626417,  
tel.: (3462) 24-0606

#### CB 'Sochigazprombank'

14, Navaginskaya St., Sochi,  
Krasnodar Region, 354000,  
tel.: (8622) 92-6547

#### ICB 'Evropeisky'

39, Kutuzova St.,  
Kaliningrad, 236010,  
tel.: (0112) 22-1900

#### CB 'Severgazbank'

3, Blagoveshchenskaya St.,  
Vologda, 160001,  
tel.: (8172) 72-7083

#### JSCB 'Sovfintrade'

14/16, bld.1, Marksistskaya St.,  
Moscow, 109147,  
tel.: (095) 912-9200

#### JSCB 'Spurt'

2, Spartakovskaya St., Kazan,  
Republic of Tatarstan, 420107,  
tel.: (8432) 64-5960

### Foreign

#### JSC 'General Banking and Trust Company' (Altalanos Ertekeforgalmi Bank rt.)

9, Marco St.,  
Budapest, Hungary,  
tel.: (36-1) 269-1473

#### OA0 'Belgazprombank'

60/2, Pritytskogo St., Minsk,  
220121, Republic of Belarus,  
tel.: (37517) 259-4024



- Gazprombank branches
- ▲ Banks in whose authorized capital Gazprombank has a stake



# GAZPOMBANK'S HISTORY: TEN YEARS IN THE REAL SECTOR

**1990**

The founding Shareholders Meeting took place in May. It adopted the Bank's Charter registered at the State Bank of the USSR 31 July 1990. Branch network formation began. Branches were opened in Nizhny Novgorod and Novy Urengoi.

**1991**

The Bank began to actively introduce automated banking technologies and to use the gas industry high-speed communications channels. Branch offices were opened in Yugorsk, Beloyarsky and Tula.

**1992**

The Bank was issued an extended license of the Bank of Russia for carrying out currency operations.

**1993**

The Bank began offering depository services to OAO 'Gazprom' shareholders. The branch network continued to grow: six new branches were opened.

**1994**

The Bank began implementation of the gas industry's program for developing non-cash settlements on the basis of Gazprombank plastic cards. The first regional project was implemented by the Yugorsk branch with an active support of the company 'Tyumetransngaz'. The total number of branches reached seventeen.

**1995**

Gazprombank Head Office moved to the Complex of Buildings of OAO Gazprom in Nametkina St. The largest depository network for servicing OAO 'Gazprom' shareholders in Russia was established. The Bank joined the Society for Worldwide Interbank Financial Telecommunications (SWIFT). Gazprombank began issuing its own plastic cards. New branches were opened in Orenburg and Stavropol.

**1996**

The first subsidiary bank - Gazenergoprombank (Moscow Region) - was set up. It developed its own branch network in the Moscow Region and the Central Region of Russia. Gazprombank began servicing export contracts of OAO 'Gazprom'.

**1997**

The Bank obtained a General License of the Bank of Russia for carrying out banking operations. With its financial ratios the Bank ranked among the top ten banks in Russia. Gazprombank began to service one of the major international projects of OAO 'Gazprom' - construction of the 'Yamal-Europe' gas pipeline.

**1998**

OAO 'Gazprom' granted Gazprombank the status of its Authorized Bank for servicing the gas industry's companies. The Bank also signed an agreement on multilateral servicing with the company 'Mezhregiongaz'. A centralized service for effecting payments, Gazprombank Settlement Center, was established. International rating agency 'Moody's Investors Service' attributed Gazprombank the highest rating that can be assigned to a Russian bank in the field of foreign currency deposits.

**1999**

The Interregional Banking Group for the Gas Industry, which comprised Gazprombank and seven regional banks, was established. The Gazprombank Settlement Center became the Settlement Center for the Interregional Group.

**2000 год**

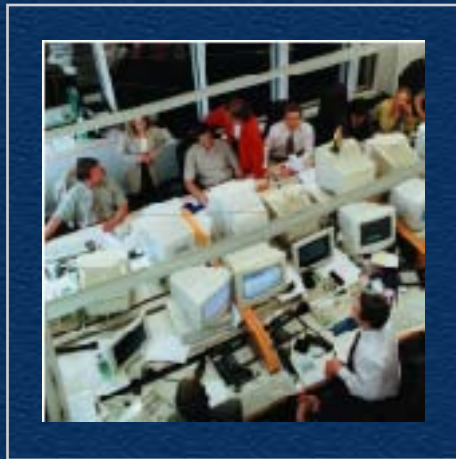
The Head Office of the Bank moved to a new building in Novocheremushkinskaya St. Branches were opened in the towns of Ekaterinburg, Bryansk and Shyolkovo. Gazprombank launched a program to develop banking operations in the market of precious metals and precious stones.



---

## MAIN DIRECTIONS OF ACTIVITY

---



## GAZPROMBANK'S BASIC PERFORMANCE RATIOS IN 2000

Last year the Bank's basic financial ratios continued to grow:

Assets grew by RUR 32.5 bln. or 64%;

Equity grew by RUR 9.5 bln. or 2.1 times;

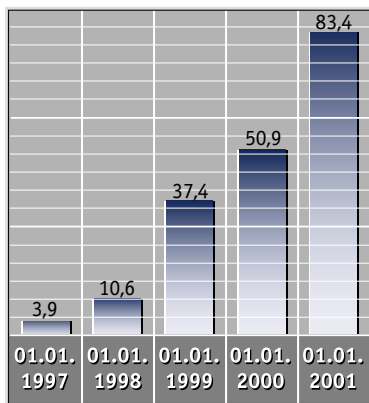
Authorized capital grew up to RUR 13.3 bln. or 2.5 times;

Credit investments increased by RUR 13.1 bln. or 44%;

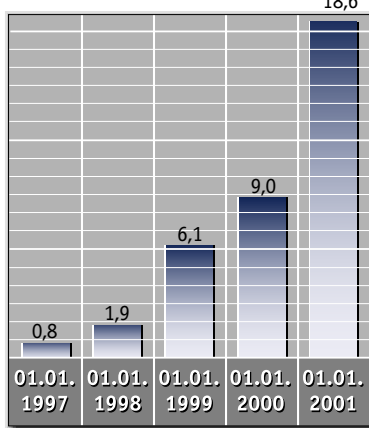
Volume of retail deposits increased 2.1 times (by RUR 2.8 bln.)

In 2000 Gazprombank's book profit was RUR 581 mln.

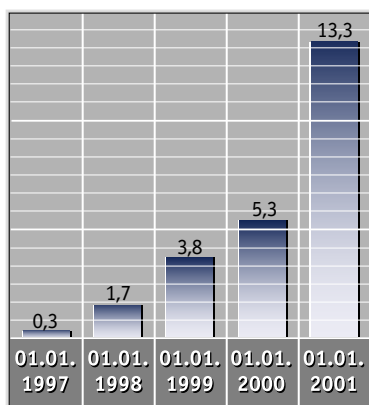
**NET ASSETS**  
BLN. RUR



**EQUITY**  
BLN. RUR



**AUTHORIZED CAPITAL**  
BLN. RUR



Based on its performance in 2000, Gazprombank gained the following positions among Russian banks:

- third by net assets,
- fifth by equity,
- second by long-term credit investments,
- third by retail deposits.

Other core ratios rate the Bank among the top five banks.

As of January 1, 2001, Gazprombank's share in the cumulative assets of the Russian banking system's amounted to 4%, in the aggregate capital - to 5%. Gazprombank accounts for 11% of all loans for a term of over a year extended by Russian banks.

The Bank's efficiency and reliability were assessed by the rating agencies as follows:

- Russian Information Center 'Rating' for the last 3 years has been placing Gazprombank among group A banks (Group A is 'the highest reliability category');
- in autumn 2000 international rating agency 'Moody's Investors Service' upgraded the Bank's rating to the highest level that can be assigned to a Russian bank.



# ASSETS AND LIABILITIES STRUCTURE OF GAZPROMBANK

In the past year the Bank's assets grew 1.6 times and reached RUR 83.4 bln. The share of performing assets in its balance amounted to about 65%.

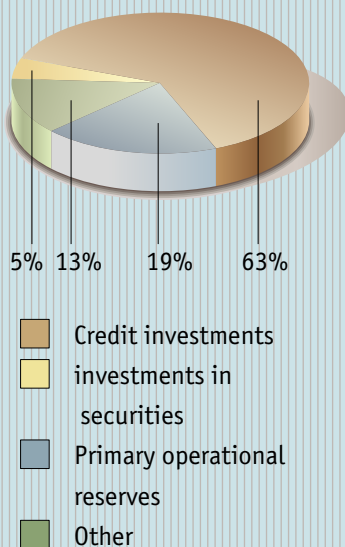
As in previous years, the main direction of funds placement were credit investments (around 63%). Last year the customers' share in the Bank's credit portfolio (loans to companies and organizations) grew by 44%.

The volume of the Bank's investments in securities last year increased and reached 5% of its assets. It was primarily due to an increase of the OAO 'Gazprom' block of shares, and also because of the growth of investments in Government currency securities.

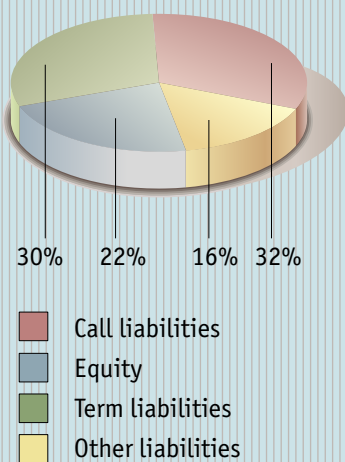
The volume of primary operational reserves is significant (about 19%). Their growth last year resulted from the increased balance in the correspondent account, as well as from the increase of the sum of mandatory reserves with the Bank of Russia (such increase was mainly related to the rise in the standard of charges early in 2000).

In 2000 the main change in Gazprombank's structure of liabilities was due to a 22% increase in the equity share. One of the major factors of the equity growth was an increase in the authorized capital up to RUR 13.3 bln., which was attained

**ASSETS STRUCTURE**  
as of 01.01.2001



**LIABILITIES STRUCTURE**  
as of 01.01.2001



through additional contributions by Gazprombank's shareholders (by OAO 'Gazprom' in the first place).

The amount of borrowed funds grew 1.5 times and reached RUR 64.8 bln.

In 2000 to provide financing for OAO 'Gazprom' international projects the Bank drew deposits for an aggregate amount of over USD 124 mln. including subordinated deposits totalling over USD 33 mln.

A substantial gain in medium- and long-term resources is accounted for by the funds drawn from insurance companies ('Geopolis', 'ROSN', 'Progress-Garant', Military Insurance Company), budget organizations (Social Security Fund of the RF) and non-state pension funds ('Gazfond', 'Rostelecom-Garantiya', 'Ugol', 'Blagosostoyanie', 'Regionfond').

The funds borrowed through the Bank's debt instruments (drafts and certificates of deposit) grew by 45.1%.

The amount of borrowings from foreign banks and financial companies went down by 11%. The structure of borrowings underwent qualitative changes, which allowed to substantially reduce the cost of foreign fund borrowings.

The amount of funds borrowed from retail customers increased substantially (more than twice).

## LENDING

Gazprombank's lending policy implies the following priorities:

- lending to enterprises and organizations which constitute an integral part of OAO 'Gazprom' structure;
- lending to gas industry partner companies;
- lending to enterprises of the industries providing for the development and technological upgrading of production facilities for the gas industry enterprises and organizations;
- lending to other economically efficient enterprises of the real sector of Russia's economy, including export organizations.

In the previous year the aggregate loans granted to enterprises and organizations grew

1.4 times and reached RUR 42.5 bln. By the end of 2000 Gazprombank's credit portfolio amounted to RUR 53.7 bln. The Bank is among the leaders of Russia's banking system, as far as credit placements are concerned.

Gas industry enterprises and organizations, their partners and subcontractors account for 80% of the loans granted.

The most vital projects financed by Gazprombank through loans in 2000 are related to expansion of transit facilities for exporting Russian gas to Western, Central and Eastern Europe. In the year under review research vessel 'Academician Golitsyn' was launched. It is designed to operate in the Black Sea in the

framework of the 'Blue Stream' project. Construction of the vessel in Finland was financed through loans extended by Gazprombank.

By the end of 2000 the total amount of loans granted by Gazprombank in the framework of OAO 'Gazprom' foreign projects reached approximately USD 1 bln., including nearly USD 140 mln. extended in the year 2000.

As a result of the Bank's clear-cut lending strategy and the practice of granting secured loans, the share of the debt overdue in Gazprombank's credit portfolio is considerably lower than the average index for other major banks. As of the end of 2000, it amounted to less than 0.3%.



## FOREIGN ECONOMIC ACTIVITIES

At present Gazprombank services the overwhelming majority of long-term borrowings by OAO 'Gazprom' from foreign creditors.

The Bank acts as a Russian agent bank of OAO 'Gazprom'. It keeps special guaranteed (escrow) accounts for long-term syndicated loans borrowed by OAO 'Gazprom' in other countries.

In 2000 the Bank began servicing a number of new loans for an amount of nearly USD 3.7 bln. The overall amount of the loans serviced by the Bank reached USD 10.4 bln.

Last year the Bank began servicing over 270 new export contracts and nearly 700 import

contracts of its customers. Gazprombank issued about 70 guarantees for the total amount over USD 430 mln. As of 1 January 2001, the overall amount of L/Cs opened by the Bank exceeded RUR 15.5 bln.

In 2000 the Bank introduced a system of measures providing better conditions for financing imported equipment supplies for OAO 'Gazprom', carried out by 'Gazkomplektimpex', 'Interprokom' and other organizations.

The Bank came to terms with a number of major foreign banks to expand the limits on documentary operations without coverage. In 2000 the Bank signed an agreement

with ExImBank (USA) under which the American bank pledged to accept Gazprombank's guarantees of short- and medium-term transactions with a respite of up to five years. A cooperation agreement was concluded with 'Hermes' Insurance Company (Germany).

Expansion of the Bank's correspondent network fosters its foreign business activities. In 2000 the Bank established correspondent relations with the Bank of China, the State Bank of India, banks of Libya and other Arab countries as well as some CIS banks (in Turkmenia, Ukraine, Moldova) which closely cooperate with OAO 'Gazprom'.



# TRANSACTIONS IN THE SECURITIES MARKET

In 2000 Gazprombank significantly increased the scope of its active operations in the government and corporate securities markets.

The Bank dealt both in the blocks of shares it owns and acted on its customers' market orders. By the end of 2000 the Bank concluded about 250 brokerage agreements. Under those agreements, the overall volume of transactions with the customers' securities totalled RUR 3.9 bln.

The Bank deals in all types of rouble and currency Government securities and is one of the major operators for the Government Domestic Foreign Currency Bonds (OGVVZ) and Russian Eurobonds. Last year the volume of operations

with such securities at their face value came up to USD 6 bln.

The main type of corporate securities Gazprombank deals in is shares of OAO 'Gazprom'. They are intensively traded at the Moscow and St. Petersburg Stock Exchanges as well as in the OTC (over-the-counter) market. In 2000 the Bank came first in the total share-trading turnover at the Moscow Stock Exchange as regards the volume of transactions.

Gazprombank is the Payment Agent for OAO 'Gazprom' servicing the Company's domestic bond issue.

Since 1998 a system for servicing draft-clearing transactions of 'Mezhregiongaz' Company has been in operation.

Throughout 2000 Gazprombank was among top operators in the

Russian draft market. The range of companies and banks whose drafts were acquired by Gazprombank for the purpose of income earning or for clearing purposes, widened significantly. In the framework of earlier agreements with 'Mezhregiongaz' Company and the Social Security Fund of the RF the Bank was involved in draft collection operations with drafts belonging to those organizations. In 2000 drafts presented for payment amounted to over RUR 1.5 bln.

To ensure settlements between the Republic of Moldova and OAO 'Gazprom' the Bank accepted for servicing the drafts of the Republic of Moldova.



## FINANCIAL MARKETS

During the past year Gazprombank made a serious step forward in financial market operations, securing the position of a priceforming bank whose activities determine to a great extent the markets dynamics and investment decisions of smaller banks.

Gazprombank's concept of a common Treasury is being successfully implemented. In the past year an intrabank information-dealing system connecting the Central Office and the Bank's 17 branches was launched. The

system operates via Internet and the gas industry satellite communications system. Its introduction made it possible to carry out a wide range of operations in real time mode. It also made dealing services considerably cheaper for regional customers and turned into an effective instrument for regulating Bank's current liquidity.

In the fourth quarter of 2000 the volume of conversion operations grew 2.5 times.

As a result of measures aimed at expanding limits by Gazprombank's

Russian partner banks, the Bank is now capable of drawing such an amount of 'short' resources which is sufficient to fully meet current demands of the customers.

Operations with small-size lots was a new direction in the Bank's activities. A special group was formed within the Treasury to deal with those banks and customers who wish to effect deals in the amounts insufficient for independent effective work in the currency market.

## OPERATIONS WITH PRECIOUS METALS

In 2000 Gazprombank began developing one of the promising directions in banking - operations with precious metals and precious stones.

A General Agreement with the Bank of Russia for the pur-

chase and sale of precious metals was signed. The Bank was issued a registration certificate by the Central State Assay Office and general licenses for export operations with gold and silver.

Last year the proceeds from

operations with precious metals exceeded USD 160,000. The contracts concluded by Gazprombank in the primary gold market are supposed to bring revenues amounting to nearly USD 1.7-1.8 mln. in 2001.



## SETTLEMENT SERVICES

One of Gazprombank's priority tasks is further development and improvement of the settlement system for the gas industry.

Today the Gas Industry Settlement Center is the core of the settlement system. It processes payments between Gazprombank, member banks of the Interregional Group for the Gas Industry and their correspondent banks. The Settlement Center ensures a 15-minute transfer of payments to any region of the country.

Optimization of payment flows and the growing number of correspondent banks (their number reached 150 in 2000) made it possible to increase the share of payments effected through the correspondent network from 38% to 68%, while out-of-town payments by the Bank's customers grew 5-fold. As a result of improved settlement

technologies the cost of settlement services was reduced by 7%.

The Bank took an active part in arranging settlements for gas between Russian enterprises and 'Mezhregiongaz' Company and participated in inter-state settlements of CIS countries and OAO 'Gazprom'. The Bank's customers were enabled to effect mutual settlement schemes with a large number of participants on the same-day basis. In 2000 more than 1500 such mutual settlements were executed. The aggregate amount of interregional mutual settlements in the Russian Federation reached RUR 36.8 bln., and with CIS countries they amounted to RUR 13.4 bln.

A system of specialized settlement services for major corporate customers with a ramified regional branch infra-

structure has considerably improved. Currently more than 20 customers including OAO 'Gazprom', OOO 'Mezhregiongaz', OOO 'Mostransgaz', OAO 'Sogaz', OAO 'Gazprommedstrakh', OOO 'Gaztorgpromstroj', OOO 'Gazsvyaz' and others are connected to the system.

Last year a system of OAO 'Gazprom' acceptance of payments from its subsidiary structures was introduced. Within this system 11 subsidiaries are serviced by Gazprombank's 8 branches.

Organization of a specialized Settlement System for OOO 'Mezhregiongaz' was completed. At present 35 accounts of the Company are serviced by 24 Gazprombank's branches and by 9 branches of its subsidiary banks within the system of direct management of subsettlement accounts.

## PLASTIC CARDS

The Gas Industry Non-Cash Settlement System, based on Gazprombank plastic cards, covers parent and subsidiary units of OAO 'Gazprom', as well as enterprises and organizations contractually related to the gas industry. Large-scale introduction of non-cash settlements forms the resource basis for granting low interest loans to the gas industry enterprises.

Plastic Card Service Centers were set up in 31 regions of Russia on the basis of the Bank's branches and member banks of the Inter-regional Banking Group for the Gas Industry. Over 210 thousand employees of more than 100 gas industry enterprises are offered plastic card services by the Bank.

At the end of 2000 the System's infrastructure comprised over 560 POS (point-of-sale) terminals and approximately 300 ATMs (110 POS terminals and 85 ATMs were installed in the previous year).

Technological safety and independence of the payment system of OAO 'Gazprom' is ensured by the System's Main Processing Center (MPC) at the Gazprombank Head Office in Moscow. The MPC's trouble-free round-the-clock operation, as well as technical maintenance of the System's elements and information exchange with the banks within the payment systems are supported by specialized company 'Gazcardservice'.

The Bank is a principal mem-

ber of VISA and Europay national payment systems. It issues and services plastic cards of those systems and also distributes American Express plastic cards. The Bank provides independent processing of VISA cards. Gazprombank was one of the founders of such international payment system as the Association 'United Payment System for the Commonwealth of Independent States' (CIS-CARD). An agreement on the establishment of the Association was signed on December 9, 2000.

The Bank is also active on a project of the State Customs Committee to develop an all-Russia payment system to pay customs charges with a special microchip card.



## DEPOSITORY SERVICES

Gazprombank has set up a large depository network for providing all kinds of depository services to the OAO 'Gazprom' shareholders and holders of other securities issued by OAO 'Gazprom' and other Russian issuers.

The depository network comprises 29 regional depositories of the Bank, 14 correspondent depositories and over 20 remote customer servicing offices. Last year a depository in Bryansk and 6 new remote offices were opened.

In 2000 the turnover of OAO 'Gazprom' shares handled by the Bank's depository network exceeded RUR 7 bln.

OAO 'Gazprom' entrusted Gazprombank with paying dividends to the Company's shareholders who reside in all regions of the country. The Bank

works to transfer the servicing of all OAO 'Gazprom' shareholders to the depositories based at the location of Gazprombank branches and of the member banks of the Interregional Banking Group for the Gas Industry. A special fund to ensure retail deposits against risks was set up in the Bank for the shareholders of OAO 'Gazprom'.

Gazprombank's depository network also services circulation of securities issued by over 110 other Russian issuers at all stock exchanges, while the number of issues of various securities serviced reached 200.

The tendency of the year 2000 to consolidate blocks of shares resulted in the reduction of the total number of custom-

ers at the Bank's depositories to 818 thousand, while the overall number of the securities' issues serviced grew to reach RUR 12.1 bln.

The range of the depository network services is constantly expanding. Customers are offered depository services by using the 'Depository-Client' complex. The Bank also provides depository services for draft transactions and carries out offsets, services lending and pledge operations with securities, REPO transactions, brokerages and dealer operations and provides other services.

License for the specialized Depository for investment funds and partnership investment funds was granted.



## CLIENT BASE

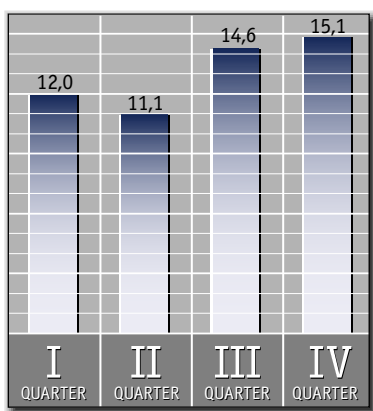
One of the main parts of Gazprombank's development strategy is its orientation towards banking services to the real economy and, primarily, its industrial sector.

Nearly all major enterprises and organizations of the gas industry (approximately 1000), as well as their partners and industrial consumers of natural gas are Gazprombank customers.

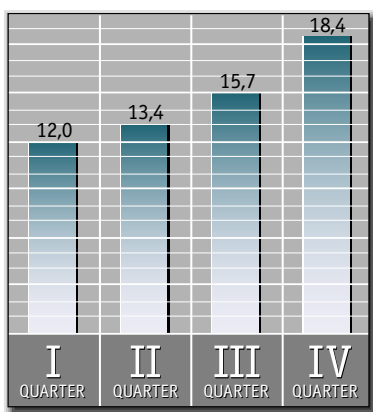
In the recent years the number of other financially stable enterprises belonging to such industries as mechanical engineering, power engineering, petrochemistry, transport, military-industrial complex has been steadily growing among the customers of Gazprombank. In particular, in 2000 such enterprises and companies as VO 'Techmashimport', 'Zapolyarstroj', 'Salavatnefteorgsyntez', 'GMP Zvezdochka', and 'NPP Torii' became Gazprombank customers.

In 2000 the total number of Gazprombank corporate customers grew by almost 30% to exceed 14 thousand. The average an-

**BALANCE IN THE CUSTOMERS' ACCOUNTS**  
(The data for a quarter on the average)  
RUR mln.



**NUMBER OF THE CUSTOMERS' ACCOUNTS**  
thousands



nual balance in the customers' accounts grew by 43%. It should be noted that the balance grew both in currency and rouble accounts.

Gazprombank's vast regional network and its own Settlement Center allowed to expand its client base in 2000 by attracting a number of large-scale ramified regional structures (including 'Sibur', 'Rosneftegazstroj', 'Volga Shipping Company'). The total number of customers serviced by the branches reached 13 thousand. Balance growth in the customers' accounts reached 268%.

Consistent work is underway to broaden the range of banking services and to improve their standard. Today Gazprombank offers its customers a wide scope of services comparable to those of the best universal Russian banks, including placement of temporarily available cash funds and management of the customers' assets.

## ISSUE OF SECURITIES

Gazprombank's consolidated positions and favorable tendencies in the Russian financial markets promoted considerable growth of its draft sales volume in 2000. It amounted to RUR 78 bln., USD 493 mln. and Euro 17 mln.

Gazprombank's drafts came to rate among the best non-issue debt instruments of Russian issuers.

Such drafts are not only instruments for placing cash fund, but also an instrument for settlements between Russian enterprises. Steady demand on the part of industrial enterprises, Moscow-based and regional banks enabled Gazprombank to draw a considerable amount of 'long' (for a term of 1 to 3 years) resources (approx-

imately) RUR 2 bln. against its drafts.

In 2000 Gazprombank implemented a pilot project placing its own drafts in the West European financial market for an amount of Euro 17 mln.

Last year the Bank also sold deposit certificates for an amount of RUR 50 bln.

## RETAIL DEPOSITS

In 2000 Gazprombank moved to one of the leading positions among Russian banks in terms of retail customers' funds drawn. The volume of retail deposits as of the end of 2000 amounted to RUR 5.5 bln. The Bank's branches in the regions drew over 65% of the deposits.

Alongside traditional deposits, Gazprombank customers were for

the first time offered special deposits with higher interest rates.

In 2000 a new service was developed and introduced: transfer of cash funds without opening bank accounts. Currently any Gazprombank customer can remit cash to any of its branches and subsidiary banks as well as to its correspondent banks in Russia and CIS countries.



## BRANCH NETWORK DEVELOPMENT

In 2000 the Gazprombank branch network continued to develop in accordance with the decisions of the General Meeting of its participants, and Agreements between OAO 'Gazprom' and the authorities of the RF constituent entities.

Gazprombank has a ramified and efficient branch network which comprises 28 branches (in 2000 new branches were opened in Bryansk, Ekaterinburg and Shyolkovo and in early 2001 in Novosibirsk). Branch offices have 29 supplementary offices and 51 teller desks outside their teller units.

The main financial performance of the Bank branch network in 2000

are as follows:

- the amount of funds in the branches' balance as of 1 January 2001 totaled RUR 11.3 bln., increasing 2.2 times during the year;
- the aggregate profit amounted to RUR 335 mln. (nearly 58% of the Bank's book profit) and exceeded the 1999 profit by almost RUR 100 mln.

Almost all Gazprombank branches earned profit by the end of the year.

Gazprombank branches are actively introducing modern banking technologies and new methods of customer servicing, thus ensuring steady client base growth. On the whole the number of customers in the branch network grew by 22%, while in 4 branches such growth exceeded 100%, and in 6 branches - 40%. As of

the end of 2000, the branches rendered services to over 13 thousand corporate customers. This resulted in a considerable (3.5 times) growth of balance in customers' accounts.

Gazprombank branches service approximately 1.5 mln. accounts of retail customers. The volume of their deposits in the past year grew 2.3 times to reach RUR 3.5 bln.

Development of the Bank's resource base led to increasing the credit portfolio of the branches and the volume of deposits placed with the Head Office by 2.9 times. At the same time the amount of debts outstanding decreased considerably (8 times), and as of the year-end it was less than 0.2% of the credit investment volume.



## INTERREGIONAL BANKING GROUP FOR THE GAS INDUSTRY

To promote further improvement of banking services to OAO "Gazprom", the Interregional Banking Group for the Gas Industry was set up in 1999. It comprises Gazprombank and banks in whose authorized capital the Bank has a stake:

- 'Belgazprombank' (Belarus, Minsk),
- 'Gazenergoprombank' (Moscow Region),
- 'Evropeisky' (Kaliningrad),
- 'Intrustbank' (Moscow),
- 'Severgazbank' (Vologda),
- 'Sibirgazbank' (Surgut),
- 'Sochigazprombank' (Sochi).

Early this year 'Sovfintrade' (Moscow) and 'Spurt' (Kazan) joined the Group.

Heads of the participating banks formed the Board of the Group, and V.I. Tarasov, Chairman of the Board of Management of Gazprombank, was elected its Chairman.

Current business and long-term development of the Group member banks is closely linked to the need of the gas industry enterprises and organizations for banking services.

Apart from head offices the Group's regional network comprises over 50 branches in Russia and 6 branches in the Republic of Belarus. A common Settlement Center was set up on the basis of the Gazprombank Settlement Center. It ensures rapid payments, monitoring of cash flows and additional consolidation of resources for the benefit of the gas industry. Gaz-

prombank with its high potential for launching modern banking technologies assists other Group member banks in developing a uniform standard for high quality banking services. This, in turn, enables the participating banks to constantly expand their client base and the range of services rendered.

In the interests of the gas industry, the member banks of the Interregional Group jointly implement such vital projects as the development of a non-cash plastic card settlement system (for instance, processing centers of 'Severgazbank' and 'Sibirgazbank' were launched under the project) and a system of depository services for the shareholders of OAO 'Gazprom'.



## PERSONNEL MANAGEMENT

One of the most important resources providing for Gazprom-bank's dynamic development is its staff. The year 2000 saw the continuation of the tendency where the number of staff grew alongside the development of banking businesses and expansion of its branch network. At the same time financial performance ratios grew much faster than the staff numbers. As of 1 January 2001 the Bank had 2600 employees

with more than 70% working in its branches.

About 40% of the employees have banking work experience of five or more years. The Bank's staff is young enough, with an average age of 37, one third of specialists being under 30.

A reserve was formed to provide for the Bank's priority needs. When an applicant is hired or is put into reserve for senior management positions, he undergoes a socio-psychological test.

Last year almost 1,500 employees took special advanced training courses in the framework of the Bank Personnel Training Program.

In 2000 part of the Head Office units moved to the new premises at 63, Novocheremushkinskaya St. That made it possible to bring technologically interdependent units together on the same territory, thus raising the standard of customer services and the scope of services provided.



## INFORMATION TECHNOLOGIES

In 2000 Gazprombank completed formation of an Integrated Data Transfer System providing unified information space and integrating its offices into a single system.

To achieve those goals the following operations were carried out:

- Bank Information Storage (Data Bank) was developed and set up to substantially facilitate Gazprombank's financial reports and accounts and provide analysis of its performance ratios;

- central Risk-cluster HP 9000N server was launched to back up the Information Storage and other vital systems supporting bank operations;

- steps were taken towards upgrading the speed of information exchange to 1 Gbit/sec in the main network directions;

- system of uninterrupted electric power supply at the Bank's new premises was installed and tuned up.

In 2000 a new module was successfully integrated into the Bank information system to automate transactions in the stock market. Introduction of another module to monitor draft turnover nears completion; a credit module installation is in progress. All those systems were introduced within the 'Client-Server' architecture. They substantially

raise the efficiency of work of the Bank employees.

To reach the Treasury's objectives additional POS terminals were set up to operate within the Russian Trade System, at the Stock and Currency Exchanges in St. Petersburg. Development of the Reuters trade and information systems was accompanied by installing additional Triarh server and terminals which made it possible to speed up information reception and processing.

To provide high quality communications with the regional units, latest generation Hicom telephone office was launched.

## COOPERATION WITH NON-GOVERNMENTAL ORGANIZATIONS

As one of the largest Russian banks which provide banking services to the national industry, in the recent years Gazprombank has contributed significantly to the development of Russia's banking system and to creating the prerequisites for effective cooperation with the real sector, thus intensifying the trends of growth which shape up in the national economy.

These activities appear in various forms. For instance, Gazprombank plays a leading role

in the Committee for Cooperation with the Real Sector of Economy of the Association of Russian Banks (ARB). The Bank is also deeply committed to the activities of such a reputable international organization as the European Business Congress (EBC). At the last Annual General Meeting of the EBC in June 2000 V. I. Tarasov, Chairman of Gazprombank's Board of Management, was elected Chairman of the EBC 'Law, Banking, Finance' Committee.

The Bank cooperates closely with Russian Government authorities, and in particular with the specialized committees of the State Duma of the RF. Many proposals tabled by Gazprombank have been given active support and are widely recognized; some of them are already being implemented. Several proposals were incorporated into the 'Concept of Development of the Russian Banking System' approved by the 10th Congress of the ARB in 2000.

## CHARITY

Gazprombank's effective performance last year enabled it to support a number of charity projects in the field of culture, public health care, education, social assistance to the population, as well as to various educational and scientific institutions.

Assistance to the Russian Orthodox Church is high on the list of priorities. The Bank provided funds for the restoration of the

Christ the Savior Cathedral, of the Holy Trinity Church in Vorontsovo (Moscow), to St. Nicholas Monastery in Shartom (Ivanovo Region), Epiphany Church in Moscow.

The Bank also provided financing to the Educational Center of OAO 'Gazprom', the Artistic Foundation of Irina Arkhipova, the 'Prestige' figure skating sports school of E. Tchaikovskaya, the Moscow

Center for Medical and Social Assistance, the All-Russia Research Institute for Environment, the Association for the Handicapped 'Energy'.

Gazprombank's eagerness to assist various programs for training skilled specialists was materialized through its support for such governmental institutions as the Higher School of Economics and the Financial Academy under the Government of the RF.



## GOALS FOR 2001

The main goals of Gazprom-bank's development for the year ahead are formulated in 'The Guidelines for Gazprombank's Activities in 2001 and for the Period up to 2003'. The key directions listed are:

### in the field of

#### financial performance:

- to increase the volume of assets by at least RUR 25 bln.;
- to ensure the capital growth by at least RUR 22 bln.;
- to secure priority lending for the projects of OAO 'Gazprom' and the gas industry enterprises (no less than 80% of the credit portfolio);
- to secure the Bank's position among the top five banks of Russia.

### in the field of the resource base development:

- to further develop the client base;
- to introduce new technologies and instruments for drawing resources (including issue of the Bank's bonds and Eurobonds).

### in the field of

#### regional development:

- to set up a system of banking services for long-term projects of OAO 'Gazprom' in the regions of Siberia and the Far East.

### in the field of foreign

#### economic activities:

- to expand the Bank's international activities in the European region, Middle East, Balkan Region, South-East Asia and CIS countries.

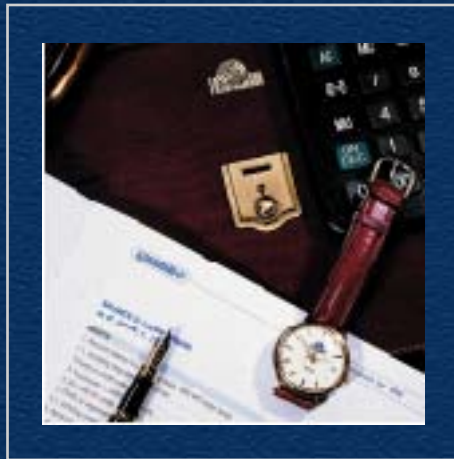
### in the field of expanding the range of services provided to customers:

- to develop the Bank Settlement System, to provide specialized services to corporate customers which have large regional infrastructure;
- to participate in the implementation of the 'Program for the Development of OAO 'Gazprom' Share Market' and in other Gazprom's stock market projects;
- to further develop the Bank's Russian and international correspondent network;
- to develop joint business of the member banks of the Interregional Banking Group for the Gas Industry;
- to develop operations with precious metals and precious stones;
- to introduce banking operations and services in the common European currency ('euro').

---

# FINANCIAL REPORTS

---



# CONSOLIDATED BALANCE SHEET AS OF 1 JANUARY 2001

of the Commercial Bank  
for the Gas Industry  
'Gazprombank'

Prepared in accordance with  
Regulation of the Central Bank of  
the Russian Federation  
'On the publications of financial  
statements of the credit  
organizations for 2000'  
dated February 2, 2001 N914-u

<b>ASSETS</b>		Thousand roubles
1	Cash and Due from the Central Bank of the RF	7 392 171
2	Government debt securities	2 544 406
3	Cash with credit institutions	8 234 022
4	Net trading securities (4.1 - 4.2)	47 093
4.1	Trading securities (book value)	56 470
4.2	Provision for diminution in securities value	9 377
5	Loans to customers and banks	53 708 068
6	Accrued interest (including overdue)	381 100
7	Assets leased out	0
8	Loan loss provision	2 065 814
9	Net loans to customers and banks (5 - 8)	51 642 254
10	Fixed and intangible assets, inventories, small value and depreciable items	750 833
11	Net long-term investments (11.1. - 11.2.)	1 478 195
11.1	Long-term investments (book value)	1 561 003
11.2	Provision for diminution in value of securities	82 808
12	Deferred expense	31 069
13	Other assets	10 886 759
<b>14</b>	<b>Total assets: (1+2+3+4+6+7+9+10+11+12+13)</b>	<b>83 387 902</b>
<b>LIABILITIES</b>		
15	Loans from the Central Bank of the Russian Federation	0
16	Accounts and deposits from banks and financial institutions	11 333 540
17	Accounts and deposits from customers	28 428 472
17.1	Deposits of the individuals included above	5 447 485
18	Deferred income	564
19	Issued debt securities	11 171 317
20	Other liabilities	13 702 326
21	Provision for other debtors, risks and liabilities	32 992
<b>22</b>	<b>Total liabilities: (15+16+17+18+19+20+21)</b>	<b>64 669 211</b>

## EQUITY

Thousand roubles

23	Authorized capital (shareholders' (participants') funds) (23.1.+23.2.+23.3.) including:	13 331 850
23.1	Registered ordinary shares	13 179 850
23.2	Registered preference shares	0
23.3	Unregistered charter capital of non-joint stock banks	152 000
24	Treasury stock	0
25	Issue proceeds	0
26	Funds and retained earnings of the credit institution, difference between share capital and equity (capital)	2 446 440
27	Revaluation of fixed assets	5 860
28	Profit for the year	580 706
29	Dividends paid out of the profit for the current year	0
30	Distributed profit (net of dividends)	444 042
31	Retained earnings (28-29-30)	136 664
32	Expenses and risks which impact equity	-2 797 877
33	Total equity (23-23.3.-24+25+26+27+31-32)	18 566 691
<b>34</b>	<b>Total liabilities: (22+23.3.+33)</b>	<b>83 387 902</b>

## OFF-BALANCE-SHEET ITEMS, COMMITMENTS AND CONTINGENCIES

35	Irrevocable commitments of the credit institution	19 440 993
36	Guarantees issued	2 038 995

## TRUST ACCOUNTS AS OF 1 JANUARY 2001

### ASSET ACCOUNTS

1	Cash account	0
2	Securities under administration	0
3	Precious metals	0
4	Credits extended	0
5	Funds used for other purposes	180 224
6	Settlements of trust accounts	4 119
7	Paid accrued interest (coupon) yield on interest (coupon) instruments of debt	0
8	Current accounts	9 648 821
9	Trust account management expenses	0
10	Trust account management loss	0

### LIABILITY ACCOUNTS

11	Trust capital	9 829 045
12	Settlements of trust accounts	4 119
13	Received accrued interest (coupon) yield on interest (coupon) instruments of debt	0
14	Trust account management earnings	0
15	Trust account management profit	0

# CONSOLIDATED PROFIT AND LOSS STATEMENT FOR 2000

of the Commercial Bank  
for the Gas Industry  
'Gazprombank'

## INTEREST AND SIMILAR INCOME FROM:

Thousand roubles

1	Loans, deposits, borrowings with financial institutions and accounts with other banks	739 569
2	Loans to customers	2 475 030
3	Assets leased out	0
4	Fixed income securities	258 250
5	Other	3 051
6	<b>Total interest and similar income: (1+2+3+4+5)</b>	<b>3 475 900</b>

## INTEREST AND SIMILAR EXPENSES:

7	Loans and deposits from financial institutions	935 384
8	Loans and deposits from other customers	2 698 432
9	Issued debt securities	873 952
10	Rent	61 425
11	Total interest expenses (7+8+9+10)	4 569 193
12	Net interest income (6 - 11)	-1 093 293
13	Commission income	492 884
14	Commission expenses	45 569
15	Net commission income (13-14)	447 315

## OTHER OPERATING INCOME FROM:

16	Foreign exchange gains	29 536 847
17	Trading operations with precious metals, securities, other assets, positive revaluation of precious metals, securities and other assets	1 920 091
18	Dividend income	19 348
19	Other income	916 114
20	Total other operating income (16+17+18+19)	32 392 400
21	Current income (12+15+20)	31 746 422

## OTHER OPERATING EXPENSES:

		Thousand roubles
22	Salaries	569 313
23	Maintenance	369 812
24	Foreign exchange expense	28 175 566
25	Trading operations with precious metals, securities, and other assets, REPO deals, negative revaluation of precious metals and securities	739 739
26	Other expenses	1 325 539
27	Total other operating expenses (22+23+24+25+26)	31 179 969
28	Net profit before provision and miscellaneous income (21-27)	566 453
29	Changes in loan loss provision	-138 162
30	Changes in provision for diminution in value of securities	75 148
31	Changes in other provisions	48 761
32	Profit before miscellaneous income (28-29-30-31)	580 706
33	Net miscellaneous income	0
34	Income including extraordinary income/expenses: (32+33)	580 706
35	Profit tax *)	187 621
36	Deferred profit tax liabilities	X
36a	Miscellaneous expenses after taxation	0
37	Net profit (loss) for the year (34-36-36a)	580 706

\*) The total profit tax paid (35) is shown in the Profit and Loss Statement for reference and is not excluded from the calculation of profits (loss) for 2000 as in (37).



Chairman of the Board,  
Commercial Bank 'Gazprombank'  
V. I. Tarasov

Chief Accountant,  
Commercial Bank 'Gazprombank'  
G.N. Kozyulina

The audited Annual Statements are prepared in all material aspects in accordance with the requirements of the effective legislation of the Russian Federation and the regulatory documents governing accounting and reporting in the Russian Federation and the accepted principles of accounting.

The truthfulness of the Balance Sheet and Profit and Loss Statements is confirmed.

Information concerning the above data is contained in the Audit Opinion on the authenticity of the Report of the credit institution as at 1 January 2001.



Name of the audit firm  
ZAO 'KMPG'  
License No.006315  
License issued on February 18, 1998

Name of the Director  
Lukashova Natalia Victorovna

## OPINION

### of the audit firm ZAO 'KPMG' on the Financial Statements of the Commercial Bank for the Gas Industry 'Gazprombank' for the period from January 1, 2000 to December 31, 2000

We have performed an audit of the attached Financial Statements of the Commercial Bank for the Gas Industry 'Gazprombank' (the Bank) including the balance sheet and the profit and loss statement as at January 1, 2001 and for 2000. The Financial Statements were prepared by the Board of Management of the Bank based on the Accounting Rules for the Credit Organisations in the Russian Federation No. 61, dated June 18, 1997 (with subsequent additions and amendments), the Regulations of the Central Bank of the Russian Federation 'On the annual financial statements for supervised credit organisations' dated December 25, 1998 No. 452-U (with subsequent additions and amendments), the Regulations of the Central Bank of the Russian Federation 'On the publication purposes financial statements of the credit organisations for 2000' dated February 2, 2001 No. 914-U, the Order of the Central Bank of the Russian Federation 'On the entry into force of the Instruction 'On the preparation of the financial statements' dated October 1, 1997 No. 02-429 (with subsequent additions and amendments) and the Instruction of the Central Bank of the Russian Federation 'On the preparation of financial statements' dated October I, 1997 No. 17 (with subsequent additions and amendments).

The Board of Directors of Commercial Bank for the Gas Industry 'Gazprombank' is responsible for the preparation of the Financial Statements. Our responsibility is to express an opinion on the truthfulness of these Financial Statements, in all material aspects, based on our audit.

We performed the audit pursuant to the Decree of the President of the Russian Federation 'Temporary rules for the audit activities in the Russian Federation' dated December 22, 1993 No. 2263 'On the audit and the audit activities', the Regulations of the Central Bank of the Russian Federation 'On the procedure for the preparation and submission to the Central Bank of the Russian Federation of an Audit Opinion Based on the Results of an Audit of the Activity of a Credit Organisation for the year' dated December 23, 1997 No. 10-P, Audit Standards, approved by the Audit Commission under the President of the Russian Federation dated February 9, 1996, and December 25, 1996, January 22, 1998 and July 15, 1998, March 18, 1999, April 27, 1999, August 20, 1999, and October 20, 1999, July 11, 2000 (Minutes No. 1, No. 6, No. 2, No. 4, No. 2, No. 3, No. 5, No. 6 and No. 1 accordingly), Audit Standards approved by the Expert Committee on banking audit of the Central Bank of the Russian Federation, International Audit Standards and our internal Audit Standards.

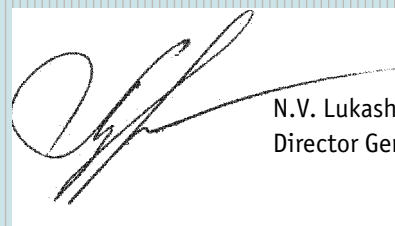
The audit was planned and performed to obtain sufficient assurance that the Financial Statements are free of material misstatement. The audit included an examination on a test basis of the data contained in the Financial Statement. The review of the compliance of a number of the financial and business operations performed by the Bank with the effective legislation of the Russian Federation was performed exclusively to obtain reasonable assurance that the Financial Statements are free of material misstatement.

We believe that our audit provides a reasonable basis for expressing an opinion on the truthfulness of these Financial Statements.


The audited Annual Financial Statements are prepared in all material aspects in accordance with the requirements of the effective legislation of the Russian Federation and the regulatory documents governing accounting and reporting in the Russian Federation, and the accepted principles of accounting. The truthfulness of the attached balance sheet and profit and loss statement, which are certified for identification purposes by the signature of the General Director and the seal of the audit firm ZAO 'KPMG' is confirmed.

Moscow,

February 16, 2001



N.V. Lukashova  
Director General, ZAO "KPMG"



L.V. Zimina  
Audit Manager