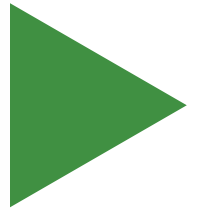
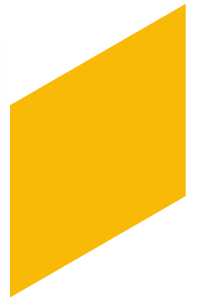


# Annual Report for the Year 2019





We have  
everyone  
on mind





## Annual Report 2019

1. Main Areas of the Bank's Activities	4
1.1. General Description of the Bank's Activities	5
1.2. Main Areas of the Bank's Activities	7
1.3. Information on the Bank's Expected Future Development	21
1.4. Information on Dividend Payments	22
2. Information on Main Risks in the Bank's Activities	23
3. Annual Accounting (Financial) Statements of JSCB "Energobank"	38
3.1. Independent Auditor's Opinion	39
3.2. Forms 0409806-0409814	45
Reference Information	54



Chairperson of JSCB  
"Energobank" (JSC)  
**Konnova Irina Petrovna**

## Dear stockholders, partners and customers of our Bank!

In the reporting year 2019, the Bank's priorities included maintaining the reliability, the high quality of assets, along with the organic growth and increasing the efficiency of the Bank's activities to meet the customers' expectations. Thanks to its well-balanced business model and high-quality customer base, the Bank has safely overcome unfavorable trends of the banking industry, expressed in tightening actions of the regulator, significant slowing down the dynamic changes in all areas of banking business, and reducing credit rates to a record low level, and maintained its steady position in a difficult, highly competitive banking market.

According to the rating provided by the largest independent financial portal, [www.banki.ru](http://www.banki.ru), as of January 1, 2020, among the Russian banks, Energobank ranks 134 by net assets and 120 by the amount of its base capital (+ 8 and +2 over the year, respectively), and it ranks 4 by the same indices among the banks of the Republic of Tatarstan. In the reporting year, the Bank continued lending to the real economy sector and to the public sector, and it was an active participant in the current state programs on concessional lending and subsidization, which allowed us, in terms of the size of our total credit portfolio, to reach rank 95 (+3) among 438 Russian banks and rank 2 (+1) among the lending agencies of our republic, while in terms of the portfolio of total loans granted to legal entities and entrepreneurs, ranks 73 and 2, respectively. Flexible client-focused activities on the retail lending market allowed the Bank to increase the amounts of loans granted to the public over the reporting year and rise to rank 105 (+6) in Russia and rank 3 in the Republic of Tatarstan in terms of retail loan portfolio.

In compliance with its Strategy, the Bank was engaged in improving the communications with its customers and in digitally transforming banking processes in the reporting year. The Bank launched the new Internet banking platform and Mobile Banking for legal entities and successfully



implemented the fully functional system of remote banking services and Mobile Banking for individuals, which novelties ensured a high quality level and comfortable remote services for our customers. Energobank Online is integrated with some banking systems, such as ABS Diasoft, Finist Retail system, Multicard Processing Center, and CRM system; we have established interaction with services, such as GIS GMP, GIS ZhKKh, and USIA, and implemented communications with some aggregators of payment services.

As a result of the cohesive work of the Bank's team in all business areas, successfully solving the problems set, and our rapid response to the constantly changing market situation, the Bank received the net profit amounting to RUB 772,952 thousand (rank 101 among Russian banks and rank 3 among the lending agencies of the Republic of Tatarstan). As in the preceding year, the Bank has maintained its leadership among the regional banks of Tatarstan in terms of its assets profitability (rank 2) and rank 1 in terms of return on capital.

Given the continuing uncertainty of the macro-economic situation, high volatility in commodity and capital markets, and fluctuations in the national currency, the Bank continues to search for the most efficient solutions to overcome negative trends in the economy. In 2020, the Bank aims to improve internal management and systematize all business processes. We are also planning to further modernize and digitalize banking processes, aimed at enhancing the bank's competitiveness and maintaining our banking services market share, as well as to further increase the bank's base capital and ensure profitable activities. The basic areas in our growth strategy will be remote communication channels, via which the offers for the Bank's existing and potential customers will be communicated. Adhering to cautious investment policies and conservative approaches to forming its investment portfolios, the Bank will continue extending its product line and translating it to its front-office and remote sales, developing bonus programs and loyalty programs, further digitalization of business processes, and developing its infrastructure. All the above will allow the Bank to retain and gradually strengthen its positions in the banking market.

The Board and the entire team of JSCB "Energobank" (JSC) would like to express our gratitude to our highly respected shareholders, partners, and customers for their successful collaboration, for their trust and support that we highly appreciate, and for mutually beneficial and fruitful cooperation. Targeting long-term relations and maintaining the Bank's financial stability and sustainability will continue to be a priority in the activities of the JSCB Energobank (JSC) team.

**I.P.Konnova**



# 1. Main areas of the Bank's activities



Full name	Joint-Stock Commercial Bank "Energobank"
Abbreviated name	(joint-stock company) JSCB "Energobank" (JSC)
License number of the Bank of Russia	67
Legal address	13/52 Pushkina str., 420111 Kazan, Republic of Tatarstan, Russia.
Foundation year	1989
Official website	<a href="http://www.energobank.ru">www.energobank.ru</a>

### 1.1. General Description of the Bank's Activities

Joint-Stock Commercial Bank "Energobank" (Joint-Stock Company) (hereinafter, the "Bank") has been performing its activities in the Russian Federation since March 2, 1989. The Bank's activities are governed by the Central Bank of the Russian Federation (hereinafter, the "CB RF") in accordance with License No. 67.

JSCB "Energobank" is registered in the obligatory deposit insurance schemes, which is confirmed by Certificate No. 843 dated July 28, 2005.

JSCB "Energobank" (JSC) is a universal regional bank operating within the Russian Federation. The Bank's core activities are to provide traditional banking services, including servicing of private and corporate customers within the Republic of Tatarstan and the Volga Region Federal District, securities transactions, trade financing, and asset management.

The Bank performs its activities under the following licenses:

- License for performing banking transactions in Russian Rubles and in foreign currencies;
- License of a professional participant of the equity market for performing brokerage activities;
- License of a professional participant of the equity market for performing dealing activities;

- License of a professional participant of the equity market for performing depository activities;
- License for providing information encryption services;
- License for distributing cryptographic facilities; and
- License for maintaining cryptographic facilities.

JSCB "Energobank" (JSC) is a member of the following associations and organizations:

- Moscow Interbank Currency Exchange (MICEX),
- Association of Russian Banks (ARB);
- Society for Worldwide Interbank Financial Telecommunications (SWIFT),
- Chamber of Commerce and Industry (CCI),
- International payment systems MasterCard Int. and VISA Int.,
- National Finance Association (NFA).

According to Expert RA, JSCB "Energobank" ranked 150 in the list of the largest banks, in terms of assets in the banks ranking for the year 2019.

According to [www.banki.ru](http://www.banki.ru), using the statements published at the website of CB RF, as of January 1, 2020 the Bank ranked 134 in terms of net assets among the banks of Russia and 4 among the banks of the Republic of Tatarstan (as of January 1, 2019 that was 142 and 6, respectively) and 100 and 3, respectively, in terms of net profit (83 and 4, respectively, as of January 1, 2019).

## Key Performance Indicators of the Bank

	As of 1/1/2020	As of 1/1/2019*	Changes (%, b.p)
Assets in RUB ths	17 248 160	17 148 724	0,58
Capital base (Basel III) in RUB ths	5 478 238	5 185 401	5,65
Net lending receivables in RUB ths	12 044 879	12 338 424	-2,38
Funds held for customers in RUB ths	11 871 268	12 245 105	-3,05
Liabilities in RUB ths	12 098 792	12 825 856	-5,67
Profit* in RUB ths	772 952	661 942	16,77
<i>including the profit without reference to IFRS9</i>	<i>536 521</i>	<i>661 942</i>	
Capital adequacy, R1, in %	32,51	30,6	6,24

\*The data is given considering EARD according to the annual report data as of 1/1/2019

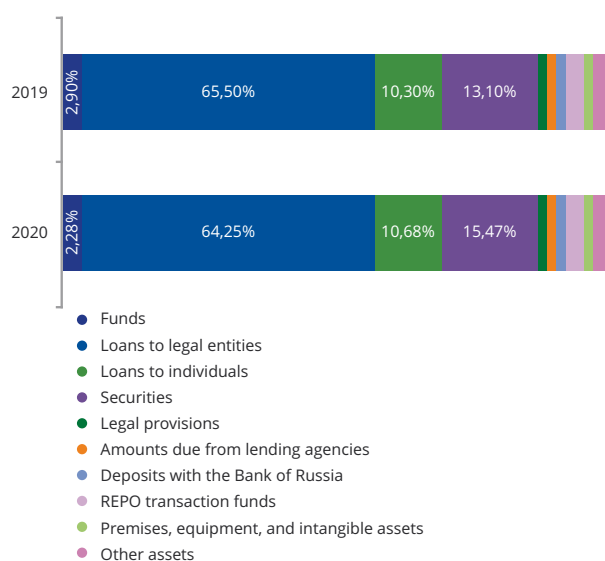
## Assets

The Bank's assets as of 1.1.2020 amounted to RUB 17,248,160 thousand. (RUB 17,148,724 thousand as of 1/1/2019), or increased by 0.58% as compared to the preceding year.

In the structure of net assets, loans of legal entities (64.25%) play the dominant role and amount to RUB 15,515,116 thousand, including loans to small and medium-sized businesses amounting to RUB 13,870,291 thousand. Loan portfolio of individuals amounts to RUB 2,578,489 thousand, or 10.68% of net assets.

Investments in securities amount to RUB 3,734,413 thousand, or 15.47% of net assets.

## General Structure of the Bank's Assets



## Liabilities

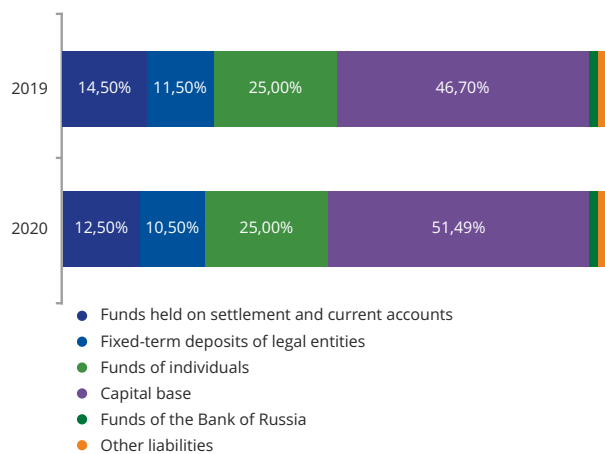
In 2019, the Bank's liabilities decreased by 5.67% and amounted to RUB 12,098,792 thousand.

Own funds and reserves are 51.49%

In the structure of borrowings, the predominant ones are the balances on the accounts of legal entities (42.07 % of all liabilities). Over the reporting year, their decreased by 4.79% and amounted to RUB 5,820,512 thousand as of 1/1/2020.

Balances on the accounts of individuals decreased slightly, by 0.57%, and amounted to RUB 5,964,527 thousand.

## General Structure of the Bank's Liabilities







### Capital Base

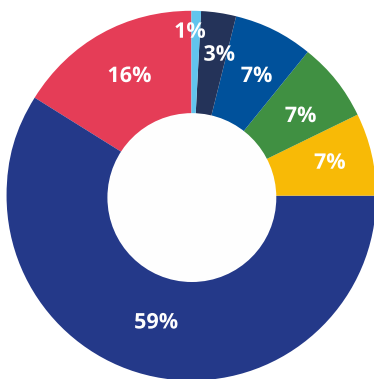
At year-end 2019, the equity capital of JSCB "Energobank" (JSC) amounted to RUB 5,478,238 thousand (RUB 5,185,401 thousand in 2018), which exceeds the last-year figures by 5.65%.

### Profit

Over 2019, the profits were earned the amount of RUB 772,952 thousand, including profit without taking into account the application of IFRS9 in the amount of RUB 536,521 thousand. Effect accumulated due to the first application of the standard is RUB 51,732 thousand.

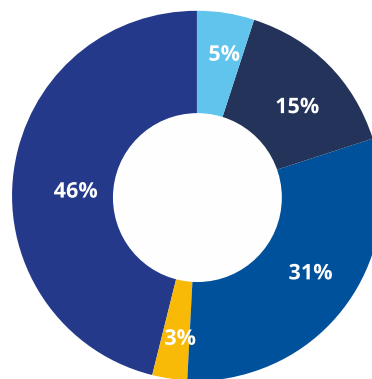
Factor analysis of the Bank's profit formation is represented in the charts below:

#### Structure of the Bank's Returns



- Returns on deposits with the Bank of Russia; 1%
- Returns on interbank transactions; 3%
- Returns on transactions with securities; 7%
- Fee-based income; 7%
- Other revenues; 7%
- Returns on loans to legal entities; 59%
- Returns on loans to individuals; 16%

#### Structure of the Bank's Expenses



- Other expenses; 5%
- Expenses to deposits of legal entities; 15%
- Expenses to deposits of individuals; 31%
- Expenses to IBC operations; 0%
- Commission expenses; 3%
- General and administrative expenses; 46%

## 1.2. Main Areas of the Bank's Activities

### Corporate business

Lending to legal entities is one of the priorities in the activities of JSCB "Energobank" (JSC), accounting for 85.7% of the total loan portfolio as of January 1, 2020.

The total amount of credits granted by JSCB "Energobank" (JSC) to the real sector of Tatarstan's economy made RUB 14,525,620 ths in 2019. The

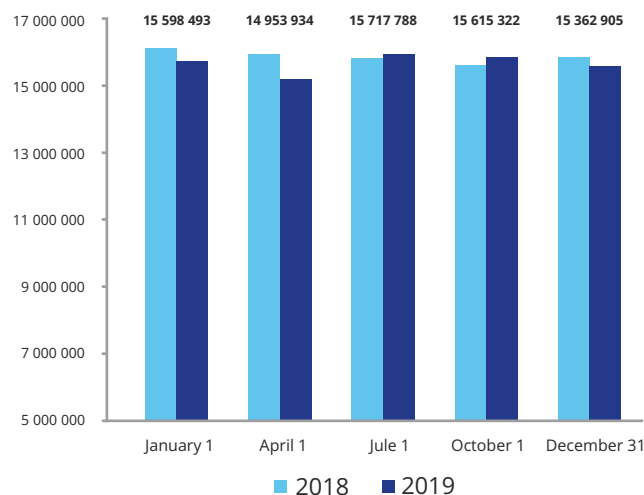
Bank granted loans to 226 customers involved in various sectors of economy.

Loan portfolio decreased slightly, by 1.5%, and made RUB 15,362,905 thousand as of January 1, 2020. In the context of lower quality demand, maintaining the level of the loan portfolio is an important task ensured by providing the customers with non-price preferences, such as quicker reviewing the issues and as attentive and individualized approach as possible.

In 2019, like in the preceding one, the key focus was on lending to small and middle-sized enterprises. 237 loans were granted to them, totally amounting to RUB 14,267,100 thousand. Volume of the loan portfolio related to small and middle-sized businesses amounted to RUB 13,782,605 thousand, as of 1/1/2020, which is 89.7% of the loans granted to legal entities. The Bank granted the total of RUB 2,281 million as loans to over 50 new customers from small and medium-sized businesses.

Within the structure of our loan portfolio of legal entities, the share of micro and small businesses has increased: from 76.5% as of 1/1/2019 to 82.4% as of 1/1/2020.

#### Loan Portfolio of Corporate of JSCB "Energobank" in 2018-2019 (RUB ths.)



#### Structure of the loan portfolio of legal entities by the areas of the borrowers' activities

Industry	2019		2020	
	Amount in RUB ths	Percentage in %	Amount in RUB ths	Percentage in %
Agriculture, including:	6 114 959	39,20	6 209 978	40,42
Crop farming	1 840 972	11,80	1 379 018	8,98
Livestock breeding	2 919 543	18,72	2 633 960	17,14
Dairy farming	1 318 902	8,46	2 174 734	14,16
Other agriculture	35 542	0,23	22 265	0,14
Real estate operations, renting	3 408 153	21,85	3 444 531	22,42
Trade	2 036 546	13,06	2 080 048	13,54
Manufacturing	2 182 672	13,99	1 426 841	9,29
Construction	912 733	5,85	917 878	5,97
Other activities	390 824	2,51	567 863	3,70
Catering	340 667	2,18	339 578	2,21
Financial activities	22 798	0,15	250 717	1,63
Transport and communications	189 142	1,21	125 471	0,82
<b>Total</b>	<b>15 598 493</b>	<b>100</b>	<b>15 362 905</b>	<b>100</b>

Within the sectoral structure of the credit portfolio as of the end of the reporting year, agriculture is still a prevailing segment for allocating money assets, and the credits granted to this sector are still at the previous level (39.2% as of 1/1/2019) and make 40.4%. Share of loans granted to companies performing their activities on the commercial real

estate market and to trading companies has increased from 21.9% up to 22.4% and from 13.1% up to 13.5%, respectively, while it has decreased from 14% down to 9.3% for industrial enterprises and remained at the same level, 5.9%, for construction companies.



### Industry-Based Structure of the Corporate Loan Portfolio as of 1/1/2020 (RUB ths and %)



In 2019, JSCB "Energobank" (JSC) became a member of the Program implemented by the Ministry of Economic Development of the Russian Federation to provide subsidies from the federal budget to Russian lending agencies to reimburse their lost income on loans issued to small and medium-sized businesses at a reduced preferential rate (Resolution No. 1764 of the Government of the Russian Federation, dated December 30, 2018). Under this Program, JSCB "Energobank" (JSC), as an authorized bank, issued 35 preferential loans to enterprises of priority economy sectors, such as manufacturing, construction, agriculture, hospitality and catering, etc., totaling RUB 2,452,030 thousand.

In 2019, the Bank was accredited for and signed a cooperation agreement with the municipal public institution of the "Central Office of the Executive Committee of the Municipal Entity (ME) of Kazan" within the implementation of the activities under the Program on Providing Subsidies from the budget of the ME of Kazan to reimburse partially the interest rates on loans granted to the entrepreneurs acting in Kazan and registered with the tax authorities of Kazan. In 2019, borrowers who have been granted with loans at the Bank under the above Program, received the subsidies to reimburse partially the interest rates on their loans from the budget of Kazan, totaling RUB 393 thousand.

In the year just ended, the Bank issued bank guarantees amounting to RUB 178,245 ths, inclu-

ding those for accelerated VAT charges amounting RUB 148,228 ths within the framework of Federal Law No. 44-FZ "On the Contract System of the Federal and Municipal Procurement of Goods, Works and Services" dated April 5, 2013, amounting to RUB 9,418 ths.

As of January 1, 2020, the loan debts of legal entities - our customers was distributed by due dates as follows: Mostly demanded were loans for a period of over 3 years, their proportion being 58.5%; short-term loans with the due dates falling within one year make 23.7%; while the loans to be returned within 1-3 years are demanded to a lesser extent, making 17.8%.

In terms of constituent entities of the Russian Federation, the structure of the corporate customers' loan portfolio is as follows: 95.2% are the borrowers operating within the Republic of Tatarstan, 2.4 % are the borrowers operating in the Ulyanovsk Region, the Tambov Region (1.7%), etc.

In 2019, the Bank funded the following important projects:

1) Constructing the housing complex named ART City and located in the Sovietsky District, in the eastern part of Kazan, along N.Yershova and P. Lumumby streets. The complex will mainly consist of 10- and 19-storey buildings, with a total of 17 buildings. The design provides for 1-, 2-, and 3-room apartments. In 2019, the following facilities were commissioned within the project implementation:

1. 19-storey single-entrance residential house (8).
  2. 20-storey residential house (10) consisting of 1 section, with non-residential premises built in.
  3. 10-storey residential house (3) consisting of 15 sections, with non-residential premises built in and an underground parking for 251 cars.
  4. 20-storey residential house (11) consisting of 1 section, with non-residential premises built in.
  5. 20-storey residential house (12) consisting of 1 section, with non-residential premises built in.
- For the implementation of the project, the Bank opened credit lines with the total amount of RUB 380,000,000.

2) Construction of the "Vesna" residential complex in Mamadyshsky tract str., Kazan. The complex will consist of totally 13 buildings, 10-19 storeys in each. The design provides for 1-, 2-, and 3-room apartments. In 2019, the following facilities were commissioned:

1. 19-storey 198-apartment residential house No. 7 with non-residential premises built in.
2. 19-storey 198-apartment residential house No. 8 with non-residential premises built in.
3. 10-storey 13-entrance 457-apartment residential house No. 10 with non-residential premises built in.
4. 10-storey 16-entrance 546-apartment residential house No. 4 with non-residential premises built-in and a parking lot for 287 cars.
5. 10-storey 11-entrance 378-apartment residential house No. 11 with non-residential premises built in.
6. 19-storey 208-apartment residential house No. 13 with non-residential premises built in.

For the implementation of the project, the Bank opened credit lines with the total amount of RUB 334,000,000.

3) Purchasing shopping premises to subsequently lease them, with a total area of 9,884 sq.m., located in the Omega shopping center in Suyumbike Ave., Naberezhnye Chelny.  
For the implementation of the project, the Bank granted a credit with the total amount of RUB 550,000,000.

4) Acquisition of the Olimp shopping center in Richard Sorge str., Kazan.  
For the implementation of the project, the Bank granted a credit with the total amount of RUB

335,000,000.

5) Acquisition of Datsun Dealing Center with an area of 3,105.9 sq.m, in Pobedy Ave., Kazan.  
For the implementation of the project, the Bank granted a credit with the total amount of RUB 148,500,000.

6) Acquisition of retail properties to subsequently lease them, with a total area of 1,486.9 sq.m, located in Mira Ave., Naberezhnye Chelny. For the implementation of the project, the Bank granted a credit with the total amount of RUB 70,000,000.

### Lending to Individuals

Despite the modest performance achieved by the bank in 2018 in terms of the retail loan portfolio growth (+ RUB 19.65 million), we have set ourselves quite ambitious plans in this area for the year 2019. Significant growth in the loan portfolio was planned for all types of lending, such as car lending, consumer loans, and mortgage lending.

In this area, high hopes were placed on state support programs, in which the bank participates continuously, namely the program of subsidizing 10% of the down payment on car loans and mortgage interest rate subsidies, which are intended to support and increase the public demand for purchasing vehicles and real estate by making such acquisitions more affordable. However, the insufficient amount of funds allocated from the Federal Budget for programs aimed to subsidizing car loans, as well as the current Subsidy Rules for Mortgage Interest Rates, did not allow many individuals to take advantage of these programs.

Conservative risk approach followed by the bank in retail lending for many years does not allow the bank to actively build its loan portfolio, on the one hand. However, at the same time, it makes it possible to ensure its moderate and constant growth with exactly high-quality loans, which is more preferable in the current unstable economic situation.

To meet the public demand on loans, as well as to provide high-quality services, the bank maintains a



permanent dialog with its customers, whereupon the bank creates new lending programs and improves the existing ones. During the reporting year, the Bank performed all kinds of activities to inform the public on the existing products of the bank, as well as to promote the financial literacy, such as presentations at enterprises, cold and warm calls to customers, and close cooperation with car dealers, brokers, real estate agencies, etc.

The bank's product line, considering the lower risk level, provides affordable lending conditions for certain categories, such as customers having favorable credit history, those receiving their salaries and wages on the card issued by the Bank, those working in the public sector, etc. For public sector, a new banking product was developed and implemented, which provides for both a rather high lending limit without providing any security for the loans and a very attractive interest rate, as compared to other lending programs.

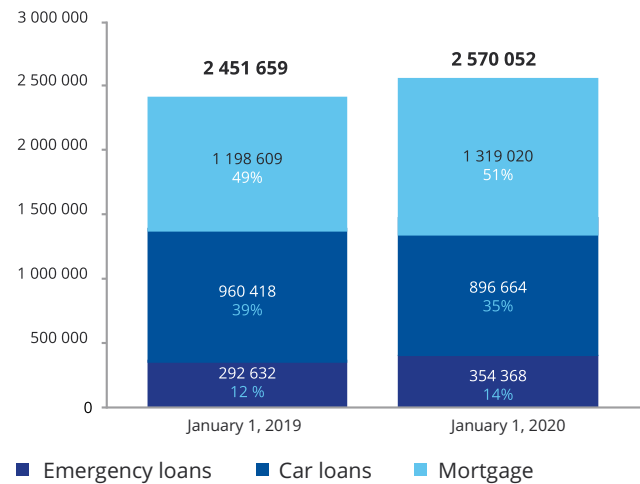
To date, the Bank presents a wide variety of lending programs with various repayment schemes (graduated payments and equal monthly instalments), which include:

- Consumer loans for contingency, both secured as collateral or surety and unsecured;
- Lending for purchasing motor vehicles, including credits allowing borrowers to buy cars without the requirement to purchase comprehensive insurance; Product line is divided by categories, depending on purchasing a new or a used car and on the down-payment size and the cost of the car being purchased:
  - Refinancing loan liabilities towards third-party banks, including mortgage loans;
  - Mortgage lending for purchasing apartments on primary and secondary housing markets;
  - Lending for purchasing commercial real estate; and
  - Lending for the repair of the real estate owned.

In 2019, slightly more than 4.9 thousand credit applications were considered under all existing lending programs, which is slightly higher than in 2018, of which:

- 745 ones under mortgage lending programs;
- 2,464 ones under consumer lending programs;

### Structure of the retail loan portfolio as of 1/1/2020, as compared to 1/1/2019



- 1,701 ones under car loans programs, including 462 under state support programs.

Throughout the reporting year, the bank paid close attention to all types of lending, which positively affected the overall growth of the number of loans granted by the Bank — 2,159 loans totally amounting to RUB 1,425,048.44 thousand, of which:

- 964 car loans amounting to RUB 597,282.56 thousand (9.9% growth as compared to 2018)
- 975 contingency loans and refinancing, both amounting to RUB 306,675.91 thousand (60.6% growth as compared to 2018)
- 220 real estate purchasing/repairing loans amounting to RUB 521,089.97.

Thus, the number of loans granted to individuals in the reporting year exceeds by 7.4% that of 2018 (2,159 loans in 2018 vs. 2,010 loans in 2018). In total terms, the growth in lending volumes amounted to 4.7% (RUB 63,960 thousand), as compared to the preceding year (RUB 1,425,048 thousand in 2019 vs. RUB 1,361,088 thousand in 2018).

Active work on the retail lending market allowed the bank to increase its loan portfolio by 4.8%, or RUB 118,392 thousand, in the reporting year. Thus, whereas the loan portfolio amounted to RUB 2,451,659.18 thousand as of 1/1/2019, its value amounted to RUB 2,570,052.01 thousand as of 1/1/2020.

	January 1, 2019		January 1, 2020	
	Amount	%	Amount	%
<b>Cash loan portfolio</b>	2 451 659	100	2 570 052	100
including:				
Mortgage	1 198 609	49%	1 319 020	51%
Car loans	960 418	39%	896 664	35%
Emergency loans	292 632	12%	354 368	14%

Despite the growth in the amounts of car loans granted by the Bank (9.9% growth as compared to 2018), repayments of such loans, including active early repayments, exceeded the amounts of the newly granted loans, which resulted in the total decrease of the car loan portfolio by 6.6% (RUB 63,754 thousand). As of 1/1/2020, it accounted to RUB 896,664 thousand. Reducing the car loan portfolio and increasing other portfolios has slightly redistributed their percentages within the total credit portfolio. However, it has not significantly changed the structure of the retail portfolio. As in 2018, mortgage loans were leading in 2019, in terms of money and as percentage. They amounted to 51% of the total credit portfolio (RUB 1,319,020 thousand). Car loans took the second place with 35% (RUB 896,664 thousand). The third place, like in the preceding year, was taken by contingency credits, including refinancing. However, it should be noted that this portfolio has shown the highest growth over the year 2019, in terms of percentage: 21.1% (RUB 354,368 thousand as of 1/1/2019 vs. RUB 292,632 thousand as of 1/1/2018)

Positive changes are observed in both the quantitative and qualitative performance of the loan portfolio. Tight control in terms of risks when considering credit applications, systemic work on collecting outstanding debts, as well as intense activities of various divisions of the bank on preventing such outstanding debts, allowed the Bank to reduce both the percentage of overdue debts in the total credit portfolio of individuals from 1.36% down to 0.99% and its money expression from RUB 32,289 thousand down to RUB 25,566 thousand. At the same time, the percentage of 90+ overdue credit debts and no repayments over that period decreased to the lowest ever: From 0.57% down to 0.4%.

The Bank's strategy for 2019 implied improving the procedures of working with mortgage loan applications. To standardize and accelerate business processes on deciding the possibility of granting mortgage loans to the public, the bank has successfully implemented the project aimed at migrating mortgage loan applications to the new complex IT solution, Loan Workflow, in which consumer and car loans have been successfully processed since 2018. This software product allowed us both to accelerate the bank employees in making a decision on a credit application, having automated some tasks that had previously been performed manually, and to enrich and improve the quality of data necessary for decision making, and it also allowed us to introduce a customer credit (credit risk) scoring system in the Bank, based on numerical statistics, which should lead to the significant reduction of the bank's lending risks and decrease the default nature of the loans granted.

#### **Information on Government Grants and Other Forms of Public Aid.**

To publicly support car manufacturers and stimulate consumer demand for new cars, the Ministry of Industry and Trade of the Russian Federation developed a subprogram titled Vehicle Manufacturing Industry within the framework of the public program of the Russian Federation, titled Development of Industry and Increasing Its Competitiveness, which was about providing by the state a Subsidy for covering the shortfalls in revenues, due to providing by the banks discounts on interest rates, as well as for compensating the expenses relating to paying the initial installment in the amount of 10 % of the car price, depending on the year of the program implementation.



According to the Government Ordinances, as well as to the contracts executed between the Bank and the Ministry of Industry and Trade of the Russian Federation, the bank submitted reports on the reimbursement of shortfall in revenues, on a monthly basis. After the Ministry has verified the completeness and reliability of the data provided by the bank (within 15 working days upon receipt of the documents submitted), the Ministry of Industry and Trade of the Russian Federation must ensure duly transferring the subsidy to the account of the lending agency within 10 working days.

Despite the clearly prescribed conditions of cooperation, due to certain circumstances, the subsidies were transferred with great delays in 2018, for example. So, as of 1/1/2019, the Ministry of Industry and Trade of the Russian Federation owed RUB 47,962.06 thousand to the bank.

Over the reporting year, the Bank accrued under the above programs the shortfalls in revenues to be covered in the following amounts:

- RUB 18,094.48 ths on loans granted in 2015-2017,
- RUB 19,479.60 ths on loans granted in 2019.

Reimbursements received during the reporting year:

- RUB 56,601.10 ths on loans granted in 2015-2017,
- RUB 19,479.60 ths on loans granted in 2019.

As of 1/1/2020, the total debt of the Ministry of Industry and Trade of the Russian Federation to the Bank amounted to RUB 9,455.44 ths.

The bank is also a recipient of subsidies within the framework of the Russian Government Ordinance No.1711 "On Approving the Rules of Granting Subsidies from the Federal Budget to Russian Lending Agencies and to Joint-Stock Company DOM.RF to Repay for the Lost Earnings on the Mortgage Loans Granted/Received by Russian Citizens Having Children," dated December 30, 2017.

Over the reporting period, under these programs, the Bank accrued the reimbursable shortfalls in revenues, in the amount of RUB 133.41 thousand, which has been repaid by the Ministry of Finance of the Russian Federation to the full extent.

## Deposits, Transfers

Deposits of individuals remain one of the key sources of forming the bank's resources aimed at further investing them into various instruments.

According to the statistics of the Bank of Russia, the amounts of deposits held by individuals in Russian rubles attracted by lending agencies stably remained within the same range during the first six months of 2019, with slight fluctuations. The second part of 2019, on the contrary, clearly demonstrated the growth of the public interest in Bank deposits and obviously tends to increase the amounts of money deposited on Bank accounts.

Changes in the portfolio of deposits of individuals in Russian rubles at JSCB "Energobank" (JSC) are generally similar to the Russian trend. Thus, during the first 7 months, a trend was observed to reduce the amounts of deposits followed by their growth in the remaining months of the reporting year.

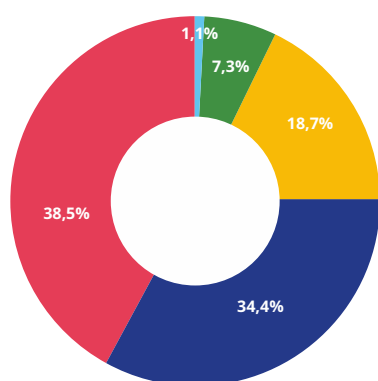
As in previous years, the key task set for the bank was to retain and expand its customer base, simultaneously avoiding setting high interest rates. Repeated interest rate cut by the Bank of Russia and, as a consequence, reducing interest rates throughout the banking system required from the Bank to permanently adjust the product line. Smooth and timely response to the economic situation in our country allowed the bank to reduce the cost of raised funds (portfolio of deposits in Russian rubles) by 0.28% down to 7.85% (8.13% in 1/1/2020). At the same time, the portfolio of deposits has not practically changed, having a small adjustment of 0.6%, as compared to the beginning of the reporting period, and made RUB 5,744.38 million as of 1/1/2020 (RUB 5,777.67 million as of 1/1/2020).

The bank's long-term, high-quality, and stable work on the banking services market leads to the increasing public confidence in the Bank. Positive attitude towards the bank is expressed both by the increase in the number of existing deposits in the national currency (+2%), which amounted to slightly more than 47.3 thousand as of 1/1/2020 (46.4 deposits as of 1/1/2019) and by placing by the public

their funds for longer periods. Thus, while deposits for the periods exceeding 1 year amounted to 72.9% of the portfolio of deposits as of 1/1/2019, this amount increased up to 80.3% as of 1/1/2020, including 45.6% of those for the periods from 1 to 3 years and 34.7% for the periods of above 3 years.

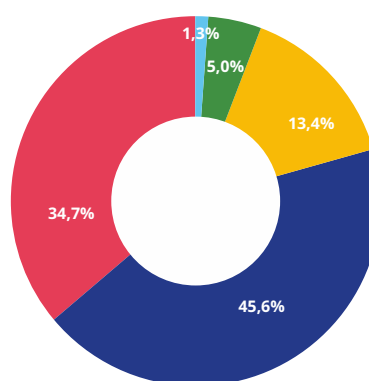
In addition to the public confidence in the Bank, the Bank's interest-rate policy contributed to transferring the deposits for longer periods, which policy provided for the most attractive conditions regarding the interest rate on deposits placed for the periods from 1 to 3 years.

**Structure of deposits held by individuals by attraction term as of 1/1/2019**



- On demand
- 1 to 180 days
- 181 day to 1 year
- 1 to 3 years
- over 3 years

**Structure of deposits held by individuals by attraction term as of 1/1/2020**



- On demand
- 1 to 180 days
- 181 day to 1 year
- 1 to 3 years
- over 3 years

Over the reporting year, the investment portfolio changed in absolute values as follows:

- Call deposits increased by 15%, or RUB 9.5 million, and amounted RUB 72.74 million as of 1/1/2020;
- Deposits placed for the periods from 1 to 180 days decreased by 32%, or RUB 132.98 million, and amounted to RUB 288.36 million;
- Deposits placed for the periods from 181 days to 1 year decreased by 29%, or RUB 311.02 million, and amounted to RUB 770.67 million;
- Deposits placed for the periods from 1 to 3 years increased by 32%, or RUB 634.09 million, and amounted to RUB 2,621.85 million; and
- Deposits placed for the periods of over 3 years decreased by 10%, or RUB 232.87 million, and amounted to RUB 1,990.75 million.

In building up its product line, the bank analyzes the public needs, wishes, and preferences. The bank's desire to keep up with the times and close cooperation with the Bank's customers, aimed at meeting the public demand for various services of

the Bank, lead to permanently improving the existing products of the Bank and creating new ones. Currently, the bank offers an extensive line of deposits, which allows meeting most customer requests. Since each customer has his/her individual needs, the bank's products are segmented by their purposes and categories. Some products allow the customers to receive monthly revenues in form of interest. For those who wish to increase their savings, there are deposits providing for paying interest at the end of the deposit term or compounding interest on a monthly basis. For those unsure of long-term depositing, there are products that allow withdrawing both interest and part of the deposit, while in case of full early withdrawal, these products offer favorable conditions for early contract termination. For individuals attaching the greatest value to profitability, we offer a special combined deposit that allows obtaining yields significantly exceeding the average market ones, provided that part of the funds is invested in life insurance programs.





## Transfers

One of the Bank's key tasks is to provide high-quality and convenient services to its customers. In the modern context, customers should be able to quickly receive the most common banking services, particularly money transfers with or without opening an account. It's hard to come by a person that has never paid for utilities, cable TV, or Internet, topped up their mobile phones, etc. For many years, the Bank has been observing the migration of banking operations to remote channels as the most convenient method of performing daily operations for the customers. To meet our customers' demands, we implemented the project aimed at introducing remote banking for individuals in the reporting year. In this system, a customer can both view the balances on all his/her accounts, Bank cards, and loans and perform any transactions using his/her account.

The Bank also continued working on expanding the list of services in its own self-service terminals, in which payments to most popular recipients are implemented. Currently, in self-service terminals, you can both perform utility payments and pay your loans to the bank itself and to any other lending agencies, top up your mobile phone or Kazan Transport Card, pay for gas and cable or satellite television, pay for insurances, etc.

As before, the Bank pays close attention to so-called "instant" money transfers. These systems allow transferring money throughout Russia or abroad within several minutes.

Currently, the Bank offers its customers to use the best instant money transfer systems on the market, such as Zolotaya Korona, Western Union, and Unistream.

Convenient location of the Bank's offices, loyal and affordable tariff policy, and introduction of modern technologies in the money transfers performed by individuals allowed the bank to gain profit from such operations in the amount of RUB 22.46 million in 2019, which is 2.3% higher than in 2018.

To increase its fee-based income from money transfers, the Bank entered into partner contracts in the second half of 2019, aimed at selling the products of the bank's partners, such as Roadside Service or investment/universal life insurance. Selling the high-quality of the bank's partners allowed us both to meet our customers' needs and provide new services to them, and also expand the knowledge and abilities of the bank's employees, and, as a consequence, provide the Bank with additional earnings in the amount of RUB 2.41 million.

## Bank Cards

### *Debit cards.*

Debit cards remain the main card product of JSCB "Energobank" (JSC). In 2019, the Bank updated and improved its line of bank card products. We focused on non-cash and contactless payments. For these purposes, the Bank, together with the Mastercard International Payment System, implemented a project aimed at connecting the Bank's cards to the Google Pay and Samsung Pay services. Implementing this service allows our customers to safely pay for their goods and services, using their mobile phones. Cashback loyalty program has been updated. These measures allowed us to increase the amounts from 19.0% to 25.7% and the count of non-cash payments from 76.0% to 82.0%. As of the end of the reporting period, the total amount of active cards was 10 ths. As of 1/1/2020, the bank card account balances made over RUB 125 million, the increase being 2.6%.

The Bank continued attracting enterprises and organizations to be serviced within the framework of the payroll card program. The work performed allowed us to extend the base of payroll contracts up to 229.

We continue attracting customers to our special products: Social Card and Youth Card.

For all types of debit cards issued for individuals, the Bank has introduced the Cash-back program. Thus, making purchases and paying for them with a card, the customer can receive from the Bank up to RUB 3,000 monthly.

**Credit cards.**

In 2019, the credit card product line was updated. Our conditions have become more attractive.

For credit cards, the Bank has also the Cash-back program. At the same time, the list of categories falling under the Cash-back program is extended. Paying for your purchases with the Bank's credit card, you can both save on interests and get profits as Cash-back.

**Remote Banking**

In 2019, a full-fledged system of remote banking services for individuals was introduced, which has the following options:

1. Viewing information on the Customer's accounts;
2. Viewing information on the loans, their current states, and the amount of the next payment scheduled. Payment schedule for loans;
3. Possibility is implemented to add a card of any bank to the Customer's account and to replenish the card of JSCB "Energobank" with no fees charged;
5. Transfers between your accounts and cards within the Bank;
6. Transfers between the accounts and cards of other Customers of JSCB "Energobank";
7. Transfers by phone number inside the JSCB Energobank;
8. Currency conversion;
9. Information on current operations;
10. Bank statements on all the accounts and cards of the Customer, opened with JSCB Energobank;
11. All kinds of transfers to the accounts and cards with other banks of the Russian Federation.

Since the system was put into pilot and industrial operation, the growth rates of our RB customers and their payments were as follows:

No	Name	1/1/2019	1/4/2019	1/7/2019	1/10/2019	1/1/2020
1	Number of customers (cumulative as of the reporting date)	14	293	1 346	2 176	3113
	<i>changes as compared to the preceding reporting date</i>	<i>NA</i>	<i>2093%</i>	<i>459%</i>	<i>162%</i>	<i>143%</i>
2	Number of visits (during the reporting quarter)	141	3 151	9 491	27 413	39088
	<i>changes as compared to the preceding reporting date</i>	<i>NA</i>	<i>2235%</i>	<i>301%</i>	<i>289%</i>	<i>143%</i>
3	Number of operations (during the reporting quarter)	48	1 322	2 711	6 693	9150
	<i>changes as compared to the preceding reporting date</i>	<i>NA</i>	<i>2754%</i>	<i>205%</i>	<i>247%</i>	<i>137%</i>
4	Amount of operations, in RUB thousands (over the reporting quarter)	164	4 985	13 961	21 221	26498
	<i>changes as compared to the preceding reporting date</i>	<i>NA</i>	<i>3039%</i>	<i>280%</i>	<i>152%</i>	<i>125%</i>

Energobank Online is integrated with some banking systems, such as ABS Diasoft, Finist Retail, Multicard Processing Center, and CRM system. We have constructed the interaction with the GIS GMP, GISZhKKh, and USIA services.

To enhance the quality and quantity of services provided by the bank to its customers using the RB system for individuals, the contracts were concluded and communications were implemented with multiple service aggregators.

Regarding its services for corporate customers, the Bank also supports and develops remote services. Thus, in 2019, a new remote service system, Energobank Business, was put into operation for legal entities, with more advanced functionality and ability to use the mobile application. Within the implementation of the Energobank Business remote banking system, the connecting process has been facilitated significantly. All customers were transferred from the old into the new system.



## Operations with Securities

Financial Assets at Fair Value through Profit or Loss

Ratios	As of 1/1/2020	As of 1/1/2019
Debt securities	3 730 173	2 934 240
including those transferred without derecognition	0	0
Equity securities	4 240	0
<b>Total Financial Assets at Fair Value through Profit or Loss</b>	<b>3 734 413</b>	<b>2 934 240</b>

Distribution of debt securities carried at fair value through profit/loss

Bonds of the Russian Federation (federal loan bonds of the Ministry of Finance of RF)	1 476 832
Bonds of the Bank of Russia (KOBR)	2 233 183
Corporate bonds (PJSC Akron)	20 158
<b>Total debt securities</b>	<b>3 730 173</b>

Below is a description of the principal investments in equity financial assets carried at fair value through profit/loss:

Type of Activity	Country of Registration	Fair Value	
		As of 1/1/2020	As of 1/1/2019
Financial Intermediation	Russia	1 423	0
Producing, delivering, and distributing electricity, gas, steam, and hot water	Russia	3 229	0
Telecommunications	Russia	511	0
<b>Total Financial Assets at Fair Value through Profit or Loss</b>		<b>4 240</b>	<b>0</b>
<b>Reserve</b>		<b>(0)</b>	<b>(0)</b>
<b>Total financial assets upon reserves</b>		<b>4 240</b>	<b>0</b>

All financial assets at fair value through profit or loss are nominated in Russian rubles.

As of 1/1/2020, equity securities carried at fair value through profit/loss and traded on the active market, and their fair value is determined in relation to the current market cost with the book value as of the end of the reporting period, amounting to RUB 4,240 thousand (RUB 0.0 as of 1/1/2019). Thus, equity securities that have a quoted market price as of 1/1/2020 are recorded at fair value, based on information about market prices (quotes) from external sources.

Fair value of a security is the price that could be received at selling the security when performing a voluntary transaction between the participants of the securities market as of the valuation date. Fair value is measured within the procedure established by the International Financial Reporting Standard (IFRS) 13: Fair Value Measurement, made effective in the Russian Federation by the Order No. 106n of the Ministry of Finance of Russia: On Making

Effective and Terminating the International Financial Reporting Standards in the Russian Federation, dated July 18, 2012.

The value is measured by the weighted average price of transactions performed on regulated open securities market or through a security market operator in the basic trading mode or in the negotiated deal mode (where there are no deals in the basic trading mode) over a certain date, such as the date of performing an operation (buying, selling, transfer, etc.) with this security, the last working day of the month, the date of a significant change in the weighted average price, etc. In case of data unavailability for the required day, the weighted average price of transactions for the preceding trading day is used, for which such data is available; provided that no significant changes have taken place in the economic factors since that date till the reporting date.

Information on price quotes on the active market can be obtained from a dealer, a broker, an industry

group, a price service, or an independent valuation company, or by using information systems, such as Reuters or Bloomberg, or based on the data of the SRO NFA Fixing.

Initial recognition of a security means reflecting this security on the balance accounts due to acquiring the ownership of this security.

Cessation of recognition of a security refers to the write-off of this security in balance accounts as a result of the disposition related to the loss of rights to the security, to the repayment of the security, or to the inability to exercise the rights enshrined in the security.

Acquisition/transfer of ownership rights to securities on transactions performed on a refundable basis are the ground for the initial recognition/cessation of recognition of such securities only, if this entails the transition of all risks and benefits (100%) associated with the possession of such acquired/transferred security.

The Bank uses the following hierarchy to define and disclose the fair cost of financial instruments, depending on evaluation methods:

- Level 1: Quoted prices in active markets for identical assets and liabilities;
- Level 2: Methods, in which all inputs that materially affect fair cost, are directly or indirectly observed on the active market;
- Level 3: Methods, in which all inputs that materially affect fair cost, but are not based on the data observed on the active market;

As of 1/1/2020, there are available financial assets classified as Level 1 of the fair cost hierarchy and including equity and debt securities of issuers, which are traded in an active market. Fair cost of such securities is determined based on observable market prices.

There was no transition of any assets or liabilities between different levels of the fair value hierarchy during the reporting period.

In assessing fair value, observable baseline data is used, based on which the hierarchy of fair value

sources is determined. In assessing fair value, we assume the market-based approach that uses prices and other relevant information on market transactions with identical or similar assets or liabilities.

Information sources used in assessing the fair value of a security include:

- Data of exchange trading systems;
- Data of electronic communication networks;
- Data of securities market operators;
- Data of the securities market regulator;
- Data of the Ministry of Finance of Russia;
- Data of independent organizations and associations;
- Data from associations of professional participants of the securities market and self-regulatory organizations;
- Data from rating agencies; and
- Data from international organizations.

Fair value of securities traded on an exchange trading is determined:

- For discount bonds - based on the weighted average price disclosed by the securities market operator;
- For coupon bonds - based on the weighted average price disclosed by the securities market operator and on the amount of the accumulated coupon interest (ACI);
- For shares - based on the weighted average price disclosed by the securities market operator.

In the initial acquisition of securities, fair value means the weighted average price of the security.

Weighted average price is taken as the weighted average price of a security, included in the quotation sheets by the equity market operator in accordance with the regulatory documents issued by the body regulating the organized market.

Criteria that may indicate the inadequacy of evaluation results:

- No information on transactions for selling/purchasing identical securities within 6 or more months with the simultaneous worsening of the issuer's financial status; and



- Bank's acquisition of identical securities at the price.

If it is impossible to reliably identify the fair value of securities, they are further reflected in the Bank's balance sheet through forming provisions for possible losses.

#### *Information on fair value estimates categorized as Level 3*

Our membership unit in the Society for Worldwide Interbank Financial Telecommunications (SWIFT) is categorized as Level 3 of the hierarchy. Claim amount is RUB 75.7 thousand. Due to the impossibility of obtaining the professionally grounded evaluation of this counterparty, a 100% provision has been created.

#### **The fair cost of the securities, the changes in the initial value of which is recorded by creating of a provision:**

	Amount of investments	Reserve	Current fair value
As of 1/1/2020	76	(76)	0
As of 1/1/2019	76	(76)	0

#### **Exchange Operations**

Office of Foreign Currency Transactions provides the full range of banking services when the customers perform their foreign economic activities. These include consulting on performing currency-related transactions, currency conversions, currency control functions for the bank's customers' operations in Russian and foreign currencies when trading with near and far abroad.

As of December 31, 2019, the Bank accounted for 73 contracts for export of goods and services and 84 contracts for import of goods and services. In addition, about three hundred and fifty contracts were serviced in the Foreign Exchange Control Division during the year, which did not require registration.

Net earnings received from providing our payment processing services on exchange operations was RUB 5.7 million.

Proceeds from exporting goods and services by the Bank's customers made USD 9.7 million, EUR 2.7 million, and RUB 405.0 million.

The Bank's customers have paid USD 8.8 million, EUR 12.2 million, CNY 8.3 million, and RUB 173.9 million under the contracts for imports of goods and services.

JSCB "Energobank" is the member of the MOEX Currency Section and performs non-cash foreign currency conversions.

Profits from conversion operations performed on the internal foreign exchange market made RUB 10,2 million.

In 2019, the volume of foreign cash bought and sold at the Bank's cash offices amounted to USD 37.7 million, EUR 7.1 million, GBP 84 thousand, CHF 139 thousand, and CNY 1.3 million. Proceeds from operations with currencies in cash made RUB 25,7 million.

Total proceeds from the Bank's foreign exchange operations made RUB 40.9 million.

#### **Information Technology Development**

Regarding the processes of ensuring data safety and security, we performed some activities including the modernization of the network infrastructure and implementation of perimeter security systems and database protection systems. Activities were performed in accordance with the recommendations of CIS Benchmarks.

We also completed the transfer of the bank's business processes within our investment activities into a unified automated banking system (ABS), Diasoft. We organized the ABS accounting of securities transactions, conversion operations on exchange market, and operations on the interbank loans market. This project allowed the bank to manage and customize its products according to sufficiently flexible capabilities of the system, as well as to refine it, if necessary, and to implement various integrative interactions.

With the development of services provided by the interdepartmental electronic interaction system, the bank connected to some available and useful services of the Ministry of Internal Affairs, USIA, as well as implemented the project aimed to connecting to the unified biometric system. We are also implementing the project of connecting to the instant payment system of the Central Bank of the Russian Federation.

To comply with various regulatory requirements, we implemented some new automated systems and subsystems that implement accounting under ISFR 9 and modernizing the exchange with the payment systems of the Bank of Russia, ARM KBR-N (Bank of Russia's Client Workplace) and TSh KBR (Bank of Russia's Client Gateway). We are also continuously updating the existing formats of exchanging with the Pension Fund of Russia (PFR), Federal Tax Service (FTA), Credit Bureau, and other organizations.

We perform activities aimed at developing the functionality of self-service devices providing the services of paying to various service providers. We also implemented the option of loading on transport cards.

### **Development of the Bank's Office Network**

In 2019, the Bank focused on enhancing the efficiency of its existing branches and offices. As of January 1, 2020, the Bank's regional network is represented by 24 branches, of which:

- 15 branches in Kazan,
- 7 branches within the Republic of Tatarstan (in Almetyevsk, Bugulma, and Nizhnekamsk; 2 branches in each of Naberezhniye Chelny, Zelenodolsk, and Yelabuga),
- 2 operational offices in the Volga Region (in Cheboksary and Ulyanovsk).

All bank offices are universal, i.e., providing the full range of banking services, namely providing complete settlement and cash services to legal entities and individuals, including various lending programs, raising funds in deposits, all types of banking transactions with opening and without

opening a Bank account, bank transfers, and performing utility payments.

Working hours of our branches are arranged considering the needs of our customers: Up to 8:00 PM on working days and up to 3:00 PM on Saturdays. Providing their services to public, our offices work without breaking for lunch. Branches located in the center of the city – in the malls of "Koltso" and "GUM" – provide their services to the customers seven days a week, during the working hours of the malls, and the branch located at 72 Fuchika str., a densely populated area, also provides its services to the customers seven days a week.

In order to develop an efficient sales infrastructure, the Bank's priorities are improving the quality of customers services and loyalty, optimizing internal processes, speeding up decision making, and increasing the profitability in the activities of points of sales.

In 2020, we are planning to open the second full-format branch in Ulyanovsk within our development strategy and for the purpose of bringing the banking services closer to consumers and creating the most favorable service environment for our customers.

### **Common**

In order to fully reflect in the Bank's balance sheet its financial results for the reporting period, the Bank took inventory of the relevant accounts recognized on the accounts of Chapter "G" in the Chart of Accounts at Lending Agencies of the appendix to Regulations No. 385-P, No.603 "Accounts Receivable and Payable", and No.474 "Settlements of Particular Operations."

According to the Procedure for Comparing and Acknowledging the Indebtedness on the Accounts for the Other Assets and Liabilities of Individuals, the Bank provides annually, within the period from January 1 through January 20, the confirmation of balances on the accounts for interests accrued, state duty indebtednesses, and other liabilities to its Customers that have a valid bank deposit / credit



agreement as of January 1 of each year. For no account, the Bank has received any Statements of Disagreement from any customers regarding the balances on their accounts of assets and liabilities. In the absence of any such statements and in accordance with the internal regulations, if the Bank has not received any confirmation in writing by January 20 of the current year, the money balances on the accounts of assets and liabilities shall be deemed confirmed.

### **1.3. Information on the Bank's Expected Future Development**

In the coming year, the Bank intends to adhere to a cautious investment policy and does not intend to depart from the conservative approach to forming its investment portfolios, which will allow us to ensure the financial performance satisfying the Bank's strategy.

Priority remains the tasks of enhancing the quality of customer services, optimizing intrabank processes, accelerating decision making, and increasing the profitability of points of sales.

In corporate business. The Bank is also planning to further build up its credit portfolio for small and medium-sized businesses, as well as for micro companies, by involving additional branches into these activities. If currently our branches are granting at most 4% of the total amount of loans to legal entities, then now it is planned to increase this number by at least two times, ensuring the highest level of cross-selling and non-interest income.

In retail business. In 2020, the Bank is planning to maintain the strategy adopted before and aimed at increasing the retail credit portfolio as a whole and increasing the share of secured loans within the overall portfolio. These plans will be implemented due to the Bank's participation in the state support programs and its close collaboration with partners, car dealers, brokers, and real estate agencies under establishing the priority sales of secured loan products.

As the main strategic targets for the year 2020 within the development of the Bank's retail lending,

the following is considered:

- Improving the software used for making decisions on granting loans to the public, Loan Workflow, to reduce the time required for deciding;
- Developing remote channels for selling retail loans (Remote Banking system, online applications, etc.) and increasing the percentage of applications submitted from them within the total number of credit applications considered by the Bank;
- Improving and modernizing the existing techniques and business processes;
- Improving the existing lending programs and implementing new ones.

#### **Deposits**

The main task for 2020 the Bank aims at is to retain the existing portfolio of deposits, provided that the weighted average interest rate is maintained at the average market level. Considering the Bank's plans on developing remote service channels that allow the Bank's customers to independently, without visiting the Bank offices, to open deposits and perform necessary operations on them. A moderate growth of the portfolio of deposits is forecasted, forming the resource base for future investments. In our product line, special deposits will be created, with an increased profitability for customers who have opened their deposits via remote channels, as well as we will improve the existing products and implement new ones allowing the depositors to place their funds under more attractive conditions.

#### **Transfers**

In 2020, the Bank will continue actively developing remote service channels as a modern tool for the customers to access to their accounts and motivating the customers to perform transactions without visiting the Bank's offices. The Bank's strategy also provides for improving and extending the functionality (services) implemented in the self-service terminals and more active work with the bank's partners, offering to its customers more and more interesting and convenient services, which will promote the growth in the Bank's fee-based income.

## Bank cards

In 2020, the Bank is planning to extend the availability of its services by organizing the process of issuing debit cards via online applications and logistics to deliver the cards to the customers, to develop bonus and loyalty programs, and to connect contactless payment services using smartphones, such as Samsung Pay, Android Pay, and Apple Pay for Visa IPS, Apple Pay for Mastercard IPS, and Mir Pay for the MIR payment system.

## Information technology

With the development of remote banking services and digitalization of business processes, an important area remains to be the development of infrastructure, therefore, a project must be implemented aimed at creating a new data processing center and simultaneously retrofitting the backup one. We are also planning to implement IP telephony covering the requirements of developing our call center, customer relation management systems, and other working processes. Upgrades of our equipment are planned, both regular ones and the ones related to implementing new services.

As to remote services, we are going to expand the range of the services provided, especially those automating and solving the problems of small and medium-size enterprises, and processes of servicing corporate bank cards.

For corporate lending, we will implement the loan workflow allowing us to considerably automate the task of assessing the creditworthiness of the company and prepare documents.

For our internal accounting operations, we are going to launch the 1C product.

To implement the strategy of fast customer services, we are planning to start developing integrations using biometric data, as well as with various external services allowing us to obtain identifications of our customers and data necessary for providing services. The project aimed at developing and implementing a CRM system is also implemented here.

Self-service devices will start accepting bank cards in 2020 to perform cashless operations.

## 1.4. Information on Dividend Payments

On June 5, 2019, the General Meeting of Shareholders decided to keep the Bank's profits received in the amount RUB 661,942 thousand at year-end 2019 undistributed to maintain the current amount of the Bank's own funds (capital base); and not to pay dividends at year-end 2018 to the shareholders.





## 2. Information on main risks in the Bank's activities

## Main goals the risk management system

The main goals of the Bank's risk management system are:

- Identifying risks inherent in the Bank's activities;
- Identifying potential risks, to which the Bank may be exposed;
- Identifying risks critical for the Bank;
- Assessing the risks taken and aggregating the quantitative evaluations of the risks critical for the Bank to estimate the total risk;
- Continuous monitoring/controlling the volumes of critical risks taken by the Bank;
- Ensuring the compliance with the Bank of Russia's mandatory standards and the size of the Bank's open monetary position, as well as centralized controlling over the aggregated level of the risk taken by the Bank;
- Assessing the adequacy of the Bank's capital to cover the taken and potential risks and capital planning based on the results of risk assessment and stress testing of the Bank's resistance against internal and external risk factors.

The Bank's main capital management goals are as follows:

- Evaluating the adequacy of the capital available to the Bank for covering the assumed and potential risks,
- Capital planning based on:
  - Business development benchmarks of the Bank's development strategies,
  - Capital adequacy requirements set by the Bank of Russia,
  - Results of the risk assessment and stress-testing of the Bank's resistance against internal and external risk factors, and
  - Supporting for strategic decisions on the Bank's business development.

Within its risk and capital management activities, the Bank ensures:

- Partition of risk-taking functions and managing them at the level of the Bank's organizational structure in such a manner that performing operations/transactions leading to taking risks and risk management, such as risk identification, estimation, and monitoring, as well as preparing the internal reports on risks relevant to the Bank, are

not the functions fulfilled by one department or division.

- Independence of the remuneration system of the Bank's employees responsible for risk management on the performance of the divisions responsible for taking risks.

The Bank's core document defining the key principles of risk and capital management, as well as the key control points of the risk and capital management system is the Risk and Capital Management Strategy in JSCB "Energobank" (JSC).

Procedures for managing the capital adequacy and procedures for maintaining thereof are governed by the Regulation on the Procedure for Credit Risk Management in JSCB "Energobank."

In organizing its risk and capital management, the Bank ensures the partition of functions related to taking risks and managing them at the level of the Bank's organizational structure in such a manner that performing operations/transactions leading to taking risks and risk management, such as risk identification, estimation, aggregation, and monitoring, as well as preparing the internal reports on risks relevant to the Bank, are not the functions fulfilled by one department or division. It also ensures that the remuneration system of the Bank's employees responsible for risk management does not depend on the performance of divisions responsible for taking risks.

Review of risks taken by the Bank and impact on capital

For the purpose of calculating the capital amount, the Bank identifies the total risk level (the risk of occurrence of unexpected, but probable events, based on experiences/statistics of such occurrences in the past).



### Calculating the total risk ratio

	1/1/2019	1/1/2020	Reference indicator	Limit
Credit risk, incl.:	1 530,6	1 242,4	<b>1 960</b>	<b>2 170</b>
Corporate portfolio	1 420,1	1 122,7	<b>1 720</b>	<b>1 900</b>
Retail portfolio	103,8	116,1	<b>150</b>	<b>160</b>
IBC and correspondent accounts	4,1	2,3	<b>50</b>	<b>60</b>
Securities	2,7	1,3	<b>60</b>	<b>70</b>
Transaction risk	269,1	260,9	<b>350</b>	<b>400</b>
Market risk, incl.:	8,3	16,0	<b>20</b>	<b>25</b>
Currency risk	2,9	2,9		
Interest-rate risk	143,4	300,2	<b>310</b>	<b>330</b>
Concentration risk	63,4	63,4	<b>180</b>	<b>250</b>
Capital provision	263,1	265,0	<b>265</b>	<b>280</b>
<b>Total risk (risk-capital)</b>	<b>2 277,9</b>	<b>2 147,9</b>		

### Calculation of capital adequacy

	1/1/2019	1/1/2020	Reference indicator	Limit
Capital	5 262,2	5 314,8		
Adjusted capital	4 358,2	4 427,4		
Risk capital	2 277,9	2 147,9	<b>3 085</b>	<b>3 455</b>
Capital adequacy	19,1%	20,61%	<b>14%</b>	<b>10%</b>
Ratio R1.0	31,0%	31,9%	<b>14%</b>	<b>12%</b>
Ratio R1.1	20,8%	24,3%	<b>10,5%</b>	<b>9,0%</b>
Ratio R1.2	20,8%	24,3%	<b>9,5%</b>	<b>8,0%</b>

The Bank is mainly exposed to the following types of risks considered in the calculation of aggregate risk: Credit, market, interest-rate, operational, including legal and reputational risks, liquidity, and concentration risks.

The Bank's inherent risks are assessed as significant or not, according to the following criteria:

- Book value of the assets exposed to this type of risk exceeds 10% of the total amount of assets;
- Risk valuation (if the risk assessment methodology provides for quantitative risk analysis) is an amount exceeding 10% of the Bank's capital;
- Expected and unforeseen losses in realizing this type of risk, identified within the framework of a reasoned judgment, make an amount exceeding 10% of the Bank's capital.

As of the end of 2019, credit, market, interest-rate, operational, and concentration risks are recognized as the relevant ones within the composition of the credit risk.

In respect of relevant risks, the Bank performs the full list of identifying, monitoring and managing procedures, including, but not limited to, the following:

- Identifying the indicators and control indices of risk propensity, monthly control over compliance with performance indicators, recording in the reports, and approving the action plan on reducing the risk level, if necessary;
- Allocating the limits and control indices of using the capital for this risk in the context of the Bank's structural divisions;
- Compulsory control over the Bank's internal procedures by the Internal Audit Service within taking, estimating, and managing the level of the relevant risk being taken; and
- Calculating the capital adequacy considering the computations of how stress events affect this type of risk (stress testing).

Total amount of the capital required (Risk Capital) is determined based on the aggregated estimates of

capital requirements regarding relevant risks, as the sum of the following values:

- Aggregate assessment of credit risk calculated within a static structure of the credit portfolio established as of the calculation date. It is calculated in accordance with the Regulations on Credit Risk Management in JSCB "Energobank";
- Aggregate assessment of the market risk of the Bank's trading portfolio as of the calculation date. It is calculated in accordance with the Regulations on Market Risk Management in JSCB "Energobank";
- Aggregate assessment of the Bank's interest-rate risk as of the calculation date. It is calculated in accordance with the Regulations on Interest-Rate Risk Management in JSCB "Energobank";
- Aggregate assessment of the Bank's operational risk calculated in compliance with the regulatory document of the Bank of Russia, governing the calculations of operational risk (Baseline Approach Basel II). It is calculated in accordance with the Regulations on Operational Risk Management in JSCB "Energobank";

- Capital provisions for covering the risks that are not estimated by quantitative methods; covering risks that cannot or can only with difficulties be distributed among the Bank's divisions, such as operational risk; and to implement activities aimed at developing the business, provided for the Bank's development strategy.

### Credit risk

Procedures for evaluating and managing credit risks is governed by the Regulations on Credit Risk Management in JSCB "Energobank" (JSC).

Credit risk is inherent in the following activities/departments of the Bank:

- Credit Office, regarding the operations of lending to corporate customers and to small businesses;
- Retail Operations Office, regarding the operations of granting consumer and mortgage loans;
- Bank Cards Office, regarding the operations of attracting funds using Bank cards;
- Treasury, regarding the interbank lending operations, correspondent relations, and operations with securities.

### Structure of the assets exposed to credit risk appears as follows:

	1/1/2019	1/4/2019	1/7/2019	1/10/2019	1/1/2020
Corporate lending and SMEs	15 598,5	14 953,9	15 718,1	15 615,3	15 363,2
Retail lending	2 461,2	2 509,5	2 541,3	2 518,5	2 570,1
BC and other invested assets	65,0	65,0	65,0	0,0	26,0
Balances in correspondent accounts	327,7	385,3	412,0	594,5	138,3
Investments in securities	3 159,8	2 814,1	2 826,2	1 449,9	3 731,3
<b>Total</b>	<b>21 612,2</b>	<b>20 727,8</b>	<b>21 562,7</b>	<b>20 178,2</b>	<b>21 828,8</b>

Over 2019, there was a certain increase in the amount of assets exposed to credit risk, primarily due to the growth of investments in securities. The core percentage of the assets exposed to credit risk was still falling within lending, which was 82.2% as of 1/1/2020. Within the structure of assets, investments in securities were increasing due to acquisition of federal bonds and bonds of the Bank of Russia having lower credit risk.

Identifying credit risk, calculating the expected losses on a loan, and recording the losses to capital are performed within the following basic procedures:

- Considering the application for granting a loan/allocating resources within the framework of the procedures for the work of business departments taking the risk and for the work of the Bank's credit committees;
- Quarterly monitoring the credit risk level for the counterparty;
- Assessing the credit risk level as a whole for the portfolio within the monthly and quarterly reports on risks.

Regulating credit risk means taking measures to maintain the risk at a level that does not threaten the interests of creditors and depositors or the



Bank's sustainability. This management process includes forecasting the risks, identifying their probable extent and consequences, and developing and implementing measures to prevent or minimize related losses.

The Bank forms provisions for credit risks based on the following internal documents:

- Regulations of JSCB "Energobank" on the Procedures of Forming Provisions for Possible Losses on Loans, Outstanding Loans, and Loan-Equivalent Receivables;
- Regulations of JSCB "Energobank" on the Procedures of Forming Provisions for Possible Losses.

The Bank reduces its credit risks by accepting the pledge of movable and immovable property, property rights / claims, guarantees, and sureties. The least liquid is the pledge of goods in turnover and surety, while the most attractive for the bank is a highly liquid collateral, such as promissory notes and certificates of deposit, rights of claim under bank deposit agreements, and the guarantees of first-class Western banks, as well as quoted securities and real estate. The Bank uses collateral insurance as a credit risk management tool. The

following collateral items are usually subject to insurance: Real estate, such as buildings and structures, residential and non-residential premises, etc.; vehicle, including cars and other transport; and industrial, trade and other equipment. Insurance policy shall provide for insurance against the risks of damage, destruction, or loss of collateral property due to the occurrence of an insurance event resulting from the following events: Fire, lightning strike, explosion, water-caused damage, natural disasters, crash of aircrafts, their parts, or their cargos, outside exposure, and unlawful acts of third parties.

The Bank recognized a debt overdue for more than 90 days to be unconditionally impaired.

The Bank analyzes the distribution of credit claims by geography and by industries. As of 1/1/2020, the corporate loans portfolio still concentrated in Agriculture, with 40.4% within the portfolio. Considering the provisions formed, the sectoral structure of the corporate portfolio as of the end of the reporting period appeared as a relatively better-balanced one, with Agricultural Sector taking 20.3% of the total volume of the portfolio.

#### Industry-based credit risk concentration:

Class name	OKVED code	1/1/2019	1/1/2020	Percentage of legal entities and individual entrepreneurs in the loan portfolio, in %	Checkpoint values	Limit
Agriculture	01	6 115,0	6 210,0	40,4%	7 400,0	7 450,0
Real estate transactions	68	1 656,3	1 988,4	12,9%	2 900,0	3 000,0
Food production	10	1 611,8	913,1	5,9%	2 400,0	2 500,0
Wholesale trade	46	681,0	708,9	4,6%		
Activities in architecture and technical testing	71	1 178,5	745,5	4,9%		
Motor vehicle trade	45	808,7	1 034,3	6,7%		
Construction of engineering structures	42	564,4	520,4	3,4%		
Construction of buildings	41	346,7	365,5	2,4%		
Retail trade	47	547,0	627,6	4,1%		
Other		2 089,2	2 249,5	14,6%		
<b>Total</b>		<b>15 598,5</b>	<b>15 363,2</b>			

Geographical concentration of the loan portfolio as of the end of the reporting period is due to the specificity of the Bank's activities concentrated in the

Republic of Tatarstan. Credits in this region accounted for more than 90% of the total amount of the credits granted and the funds raised by the Bank.

Region	Region code	1/1/2019	1/1/2020
Republic of Tatarstan	92	14 980,7	14 900,8
Ulyanovsk Oblast	73	242,7	212,4
Tambov Oblast	68	310,0	160,0
Chuvash Republic	97	26,9	26,7
Mari El Republic	88	0,2	0,2
Kaluga Oblast	29	8,3	6,9
Arkhangelsk Oblast	11	21,2	12,6
Moscow	45	2,7	2,7
Nizhny Novgorod Oblast	22	0,6	1,6
Republic of Bashkortostan	80	5,3	0,0
Voronezh Oblast	20	0,0	39,3
<b>Total loan portfolio</b>		<b>15 598,5</b>	<b>15 363,2</b>

Due to making IFRS 9: Financial Instruments effective starting from January 1, 2018, we changed the classification and assessment of financial instruments and recognition of losses from the impairment of financial assets.

Based on the principles of IFRS9 - Financial Instruments, the Bank implemented the procedures of reserving capital to cover credit risks within the model of expected credit losses. Key principle of the model used is timely recording the changes in the credit quality of debt financial instruments, considering the current and forward-looking information. Forecast of changes in the quality of financial assets is constructed by the Bank, based on statistical models that are, in turn, based on the

statistics of the facts of worsening the quality of financial instruments depending on the basic characteristics of counteragents on the transaction, transaction conditions, and other factors recorded during the life of such financial instrument.

The Bank uses the following principles of classifying and assessing financial instruments when forming the models of expected credit losses and calculating the provisions according to IFRS 9:

In credit risk management, the models of expected credit-based losses are used by the Bank within the following classification of financial instruments by type of financial assets:

Type of financial asset	Classification frequency
Loans to legal entities and private entrepreneurs	Loans to Agriculture and Food Industry
	Loans to other industries
	Loans to small businesses
	Car loans
Loans to individuals	Mortgage
	Non-purpose secured loans
	Non-purpose unsecured loans
	Overdrafts and bank cards
Interbank credits	Loans to Banks
	Financial instruments of non-bank lending agencies
Other requirements	loan assignments (claims payable in arrears)
	claims on other operations

Classification of financial instruments by impairment stage. Depending on changes in the credit risk

or no changes therein, the Bank identifies three impairment stages of financial instruments:



Stage	Credit risk level	Criteria of including financial instruments (FIs) in the group	Sub stage	Credit quality assessment
1	Low	Fis, for which there are no grounds for recognizing the risk level to be significant, except for FIs: - Impaired at the initial recognition; -Those for which the risk level has considerably increased since they were initially recognized	1.1.	Excellent
			1.2.	Very good
2	Moderate	Fis, for which the Bank recorded risk signals indicating a considerable increase in the credit risk and/or considerable increase in the risk level as compared to the initial recognition date	2.1.	Good
			2.2.	Acceptable
			2.3.	Prudent
			2.4.	Questionable
			2.5.	Unacceptable
3	High	Fis, for which a default has occurred or obvious default signs have been detected	3	Unfavorable

In terms of stages, credit risk level is assessed regarding all segments of financial assets. In terms of substages, credit risk level is additionally assessed only regarding the following groups/segments of the loan portfolio: Loans to agricultural enterprises and food production; and loans to other legal entities.

As of each reporting evaluation date, the Bank defines the loss allowances for a financial instrument in the amount equal to the expected credit losses:

- For the financial instruments of impairment stage 1, in the amount equal to 12-month expected credit losses; and
- For financial instruments of impairment stages 2 and 3, in the amount equal to the expected credit losses "over the entire term" corresponding to the

averagely established period of the credit claim getting to default for the loan portfolio.

Procedures of evaluating the credit risk being taken include the following main stages:

- Calculating the average default probability and adjusting the default probability considering risk factors;
- Calculating losses given default (LGD);
- Credit conversion factors (CCFs) of unused credit lines;
- Calculating EAD; and
- Calculating the expected credit losses (ECLs).

Default probability is calculated within the framework of constructing the statistical models of credit risk evaluation, considering the following special aspects within classifying the financial instruments:

PD Calculation Condition	Type/subject of financial instrument		
	Legal entities	Individuals	Lending agencies - Banks
Concept of default	One/any of the events that occurs earlier: - Real debt overdue for 90 days or longer; or, according to loan classification 590-p, estimated LLP >=99%	Real debt overdue for >= 90 days	Отзыв лицензии кредитной организации
Variables independent on / influencing upon default occurrence	- Financial status according to financial statements; - Account turnover and average daily account balances; - Amount of the loan debts and credit conditions; - Changes in macroeconomic indicators that affect or may affect the default occurrence;	- Social and demographic characteristics of the Borrower; - Level of income / repayment capacity; - Credit history status and payment discipline;	- Financial status according to financial statements; - Changes in macroeconomic indicators that affect or may affect the default occurrence;
Observation period	at least 3 years		
Frequency of observations	quarterly	Borrower's characteristics - one-time as of granting the loan; Payment discipline: Monthly	Quarterly, regarding all lending agencies within the banking system of RF

In general, over 2019, there were no considerable changes in the dynamics of assets exposed to the

credit risk, as well as the impairment cost under RAS and IFRS.

### Changes in assets at risk and in the impairment cost under RAS and IFRS in terms of classification groups

Classification group:	Assets at risk				Provisions under the Russian Accounting Standards (RAS)				Provisions under IFRS			
	1/1/2019	1/1/2020	Change		1/1/2019	1/1/2020	Change		1/1/2019	1/1/2020	Change	
			RUB ths.	%			RUB ths.	%			RUB ths.	%
Legal entities:	15 880 771	15 657 905	-222 866	-1,4%	6 515 452	6 885 829	370 378	5,7%	6 425 987	6 503 880	77 893	1,2%
incl.:												
Agriculture	7 683 052	6 919 015	-764 037	-9,9%	4 749 439	4 908 182	158 743	3,3%	4 856 392	4 481 083	-375 309	-7,7%
Other industries	6 913 461	6 471 490	-441 971	-6,4%	1 664 866	1 677 319	12 453	0,7%	1 556 712	2 006 682	449 970	28,9%
Small businesses	1 192 555	2 202 919	1 010 364	84,7%	99 595	295 683	196 088	196,9%	8 300	10 186	1 886	22,7%
Factoring	91 703	64 481	-27 222	-29,7%	1 551	4 645	3 094	199,5%	4 583	5 928	1 345	29,4%
Individuals:	2 515 939	2 617 139	101 201	4,0%	443 371	395 347	-48 024	-10,8%	371 465	400 035	28 570	7,7%
incl.:												
Car loan	964 839	899 950	-64 889	-6,7%	33 993	26 969	-7 024	-20,7%	103 264	90 514	-12 750	-12,3%
Mortgage	1 203 910	1 321 777	117 867	9,8%	309 227	298 648	-10 579	-3,4%	213 397	249 378	35 980	16,9%
Non-purpose unsecured	169 000	238 060	69 060	40,9%	57 736	43 664	-14 072	-24,4%	41 700	49 691	7 991	19,2%
Non-purpose secured	178 190	157 353	-20 837	-11,7%	42 416	26 067	-16 349	-38,5%	13 103	10 452	-2 651	-20,2%
<b>Total:</b>	<b>18 396 710</b>	<b>18 275 045</b>	<b>-121 665</b>	<b>-0,7</b>	<b>6 958 823</b>	<b>7 281 176</b>	<b>322 354</b>	<b>4,6%</b>	<b>6 797 453</b>	<b>6 903 915</b>	<b>106 463</b>	<b>1,6%</b>

### Changes in assets at risk and in the impairment cost under RAS and IFRS in terms of impairment stages

Impairment stage:	Assets at risk				Provisions under the Russian Accounting Standards (RAS)				Provisions under IFRS			
	1/1/2019	1/1/2020	Change		1/1/2019	1/1/2020	Change		1/1/2019	1/1/2020	Change	
			RUB ths.	%			RUB ths.	%			RUB ths.	%
Legal entities	15 880 771	15 657 905	-222 866	-1,4%	6 515 452	6 885 829	370 378	5,7%	6 425 987	6 503 880	77 893	1,2%
1	3 930 386	3 947 999	17 613	0,4%	327 402	429 866	102 464	31,3%	43 876	24 433	-19 443	-44,3%
2	5 350 416	5 371 078	20 663	0,4%	1 316 111	1 019 316	-296 795	-22,6%	1 250 229	1 056 303	-193 926	-15,5%
3	6 599 970	6 338 828	-261 142	-4,0%	4 871 939	5 436 648	564 709	11,6%	5 131 882	5 423 144	291 262	5,7%
Individuals	2 515 939	2 617 139	101 201	4,0%	443 371	395 347	-48 024	-10,8%	371 465	400 035	28 570	7,7%
1	207 364	256 672	49 308	23,8%	10 853	9 262	-1 591	-14,7%	84	111	27	31,6%
2	2 124 885	2 152 452	27 567	1,3%	304 115	252 326	-51 789	-17,0%	297 312	310 897	13 585	4,6%
3	183 691	208 661	24 971	13,6%	128 403	134 082	5 679	4,4%	74 069	89 130	15 062	20,3%
<b>Total:</b>	<b>18 396 710</b>	<b>18 275 045</b>	<b>-121 665</b>	<b>-0,7%</b>	<b>6 958 823</b>	<b>7 281 176</b>	<b>322 354</b>	<b>4,6%</b>	<b>6 797 453</b>	<b>6 903 915</b>	<b>106 463</b>	<b>1,6%</b>

Method of calculating the default probability, PD#1, is used regarding loan portfolios: Loans to agricultural and food production companies; loans to other legal entities; and loans granted to lending agencies - banks; and it is implemented in the following stages: a) On each of the reporting dates, the number of clients within the segment, taken from the Bank's loan portfolios is broken down according to its rating group. Procedure for calculating the creditworthiness ratings of the Bank's customers and for grouping them by rating level is determined by the Methods of Constructing the Credit Risk Evaluation Models approved by the Bank; b) as of each of the reporting dates, the number of customers is identified, regarding which the default is registered. For further calculations, data on defaults of rating groups as of all reporting dates are combined into one group by simple addition, and default level is computed for each rating group, taken as statistically justified default probability regarding the impairment stage/

substage. Regarding the claims, for which the Bank does not have stable statistics on defaults belonging to the following types: Bank guarantees of legal entities and private entrepreneurs, factoring operations, and other credit claims, the Bank applies the PD ratios computed and approved in respect of the segment titled Loans to Legal Entities from Other Industries, regardless of the type of activities performed and the industry of the Counterparty.

Method of calculating the default probability PD #2 is used to estimate the credit risk regarding the segments of financial assets under standard credit products and standard credit conditions, such as loans to small businesses and loans to individuals (all segments). Default probability is calculated by the PD #2 method in the following stages: Classification of credits by 3 impairment stages in accordance with the above methodology; PD calculation using the method of roll rates among





credit groups by overdue periods multiple of one calendar month; among credit groups segmented by impairment stages by the weighted average method / per average share of loans relevant to the overdue interval over the observation period.

Method of calculating default probability PD #3 is used to estimate credit risk regarding the following segments of financial assets: Financial instruments of Non-Bank Lending Agencies (NBLAs) and REPO operations with NBLAs — Central Counterparties (CCPs). Regarding operations with NBLAs, in the context of no sufficient statistics on defaults, the Bank calculating PD #3 is guided by the approach set out in sub-clause 2.3. of Appendix 1 to the Order No. OD-2306 of the Bank of Russia, dated September 4, 2018. PD #3 standard is set and updated depending on the established rating of credit rating agencies in accordance with the specified calculation standard.

In calculating the loss ratio of PD for stage 1 loans, the default probability adjustment is applied, considering the planning horizon / time horizon of 12 months. Adjusted figure is calculated as follows:  $PD \text{ for Stage 1} = PD * 12 / \text{Average Term of Reaching Delinquency (months)}$ ; where the average term of reaching delinquency is calculated in respect of all credit agreements by segment, the simple arithmetic mean of the number of days/months between the date of granting the loan (registration of the loan agreement) and the date of default recognition.

When calculating the PD loss ratio and identifying the impairment stages, the Bank uses the adjustments for risk signals, such as credit outstandings for over 30 days and/or loan modifications excluding the possibility to classify the loan under impairment stage 1; credit outstandings for over 90 days and/or recognizing the Borrower's debt uncollectable for the purposes of creating provisions under RAS, and recognizing the Borrower bankrupt under law, which excludes the possibility of classifying the loan under impairment stage 2. In addition to the above risk factors, on loans to legal entities and private entrepreneurs, the Bank uses impairment criteria, such as excess of loan debt

burden ratios, substantial fall in capital, no capital as of the observation date; and on financial instruments to lending agencies: Facts of arrears and losses recognized by the Bank as essential in accordance with the approved methods.

The Bank calculates the loss given default (LGD) coefficient, considering all possible factors affecting the level of collecting the overdue debts, established regarding the segment of loans. It is defined as the ratio of the following values:

NPL90+max - principal loan amount (time-based + overdue) on the loans:

- Having signs of default as of the beginning of the observation period - in the amount of the balance as of the beginning of the period or - for which the default signs occurred during observation period - in the (maximum) amount as of the date when the 90+ overdue debt occurred.

NPL90+ as of the end of the period - principal debt amount (time-based + overdue) on the 90+ overdue loans involved in calculating the NPL90+max indicator as of the end of the period under analysis / reporting date.

Default recognition date means the first monthly reporting date, on which the signs of default were registered for a given loan. Only the amounts of the principal debt (term-based and overdue) are involved in the calculations of LGD, without considering any late charge accrued, penalties, fees, fines, etc. Regarding the impairment stage 3 loans, for which the default signs have been identified, the Bank considers the LGD to be equal to:

- Level of the statistically justified reference value within the longest possible collection period (545 days from the date of the overdue debt occurrence);
- 100% - absolutely no collection prospects, the losses are recognized as taken place upon the expiry of the longest possible collection period.

Regarding financial instruments, for which the Bank does not objectively have any statistics on the efficiency of collecting the overdue debt (particularly, for the Bank's transactions with lending agencies), the Bank is guided in identifying the LGD

by the standardized approach, Basel II, and sets the LGD ratio as 45%.

Provisions for the unused limits of credit lines and credit conversion factors (CCFs) are being calculated by the Bank in the context of the internal statistics insufficiency and defined based on the approaches as part of the Instruction No. 180-I of the Bank of Russia and depends on the risk level/impairment stage regarding the credit line.

Calculation of the amount of claims receivable by the Bank on a financial instrument at risk is defined as the ordinary sum of the following values: Principal debt (time-based and overdue); interest-base liabilities (time-based and overdue); volume of non-granted credit lines adjusted to the credit conversion factor, fines, penalties, fines, and other payments justified to be received by the Bank during the validity period of the financial instrument.

The Bank's estimate of the expected credit losses reflects: Objective calculations of the value weighted by the probability degree, i.e., PD, LGD, and EAD, as of each reporting date; time value of money; calculations based on the effective interest rate; and other reasonable and confirmable information that can be obtained without excessive expenses or efforts. The Bank defines the estimation of its expected credit losses (ECLs) as the product of the following values: Volume of claims at default risk; probability of the default occurrence; and the level of losses at default.

Testing the model of calculating expected losses.

The Bank checks regularly, at least once a year, the internal methodology and assumptions in calculating the expected losses to reduce the discrepancy between the estimates and actual losses on credit claims. Risk Control Division monitors and verifies the propriety of dividing the portfolio into risk segments, as well as the correctness of calculating the values of EAD, PD, and LGD. Results of testing the methodology of estimating the expected credit losses are communicated to the Bank's management, while the authorized persons decide on

further steps to finalize the models and assumptions.

### Market risk

Procedures for evaluating and managing market risks is governed by the Regulations on Market Risk Management in JSCB "Energobank" (JSC).

The purpose of managing the market risk is to maintain the risk taken by the Bank at a level determined by the Bank in accordance with its own strategic tasks. Market risk is also managed to:

- Detect, measure, and identify an acceptable market risk level; and
- Take measures aimed at maintaining the market risk level that does not threaten the Bank's financial stability and the interests of its creditors and depositors.

The Bank determines the following market risk sources:

- Changes in the market values of the financial instruments within its trade portfolio, unfavorable changes in the market prices of stock values – securities and derivatives influenced by the factors related to the situation of their issuers and to general fluctuations of market prices for financial instruments; and
- Changes in foreign exchanges rates.

Market risk is managed in respect of the following assets and liabilities of the Bank:

- Debt and equity securities having a current/fair value and classified as those measured at their fair value through profit/loss, and acquired for the purpose of selling them in short term, provided that there is an intention to sell them in short term;
- Obligations for the redelivery of securities acquired from reverse transactions, in case the said securities were sold under a contract for selling/purchasing the securities, as well as if the said securities were transferred under reverse transactions, for which the counterparty had not performed its redelivery obligations, or if they were transferred under reverse transactions or to secure the raised funds for the period exceeding the period of the initial transaction;
- Open positions denominated in a foreign



currency and/or precious metal and open positions in Russian rubles, the value of which depends on foreign exchange rates and/or official prices for precious metals.

Market risk components are equity risk, currency risk, and interest-rate risk.

**Changes in the market risk for the year 2019 were as follows, in RUB million:**

	1/1/2019 RUB mln	1/4/2019 RUB mln	1/7/2019 RUB mln	1/10/2019 RUB mln	1/1/2020 RUB mln	Limit
Trade portfolio	0,0	0,0	0,0	0,0	0,0	
Market risk under 511-P incl.	0,0	81,7	41,4	380,1	380,6	500
interest-rate risk	0,00	2,60	2,57	2,63	2,56	
equity risk	0,00	3,90	0,74	0,63	0,68	
currency risk	0,00	0,00	0,00	27,14	27,21	

In addition, to quantify the amounts of market risks taken, the Bank uses the Value-at-Risk (VaR) methodology that allow evaluating the assets

influenced by market factors for a certain time range (a day) and a given level of significance, typically 99%.

**Changes in market risk (Value-at-Risk (VaR) methodology):**

	1/1/2019 RUB mln	1/4/2019 RUB mln	1/7/2019 RUB mln	1/10/2019 RUB mln	1/1/2020 RUB mln.	Reference indicator	Limit
Market risk by VaR [1] incl.	8,29	8,01	8,84	13,43	15,96	20	25
bonds	4,92	6,11	6,83	9,91	13,03		
shares	0,44	0,31	0,04	0,03	0,04		
currency risk	2,9	1,6	1,97	3,49	2,90		
Market risk by VaR/Capital	0,16%	0,16%	0,17%	0,26%	0,30%	3%	5%
Stress losses	89,2	85,3	81,4	95,3	89,5		

Market risk size evaluated by VaR over 2019 demonstrated the growth in the context of increased investments in securities. In general, amount of claims typically implying market risk is minor considering the current scope of the Bank's activities.

List of financial instruments used by the Bank is still quite limited and predictable, which does not suggest using any market risk hedging procedures.

**Interest-rate risk**

Procedures for evaluating and managing interest-rate risks is governed by the Regulations on

Interest-Rate Risk Management in JSCB "Energobank" (JSC).

The Bank controls the following interest-rate risk sources:

- Maturity mismatch of financial instruments, including reviewing the interest rate on floating interest rate instruments;
- Yield curve risk — Changes in the yield curve configuration for long and short positions on financial instruments of a single issuer, creating a risk of losses resulting from excess of potential expenses over income when closing these positions;
- Basic risk — for financial instruments with a fixed interest rate, provided that their maturity terms

coincide - mismatch in the degrees of changes in interest rates on the raised and placed resources of a lending agency; for financial instruments with a floating interest rate, provided that there is the same frequency of reviewing the floating interest rate — mismatch of the degree of changes in interest rates;

- Options risk that is related to the terms of options of executing by the counterparty of the relevant transaction, consisting in the counterparty's right to change/terminate the terms of the contract early, if changes in interest rates become unfavorable for it, such as on-call credit lines or loans, etc.

As the main method for assessing its interest rate risk, the Bank uses the GAP Analysis, i.e., the analysis of the differences between the amounts of long and short positions on financial instruments sensitive to changes in interest rates, determined for each interval. The GAP calculations include all instruments recorded on balance accounts, as well as off-balance sheet financial instruments sensitive to changes in interest rates.

#### Changes in Gap indicators and Gap to assets, RUB million, is as follows:

	1/1/2019	1/1/2020	Reference indicator	Limit
Cumulative Gap up to 1 year	-517,2	-1 182,1	-3 600	-4 000
Changes in the Net Interest Income (NII) for up to 1 year, including:	-14,4	-16,2		
up to 30 days	4,6	-1,8		
31 to 90 days	-18,2	-12,9		
91 to 180 days	-4,0	0,1		
181 days to 1 year	3,3	-1,6		
Gap/Assets	-2,92%	-6,67%	-17%	-20%
Changes in the Net Interest Income (NII) / Net Interest Income for the period (quarter)	-3,86%	0,00%	-18%	-20%
Changes in the Net Interest Income (NII) / Interest-Rate Risk Sensitive Assets	-0,08%	-0,09%	-1,5%	-2,0%

As of 1/1/2020, as compared to 1/1/2019, the increase was observed in the value of the total Gap up to 1 year up to RUB 1,182.1 million, which led to increasing the ratio of Gap to the Interest-Rate Risk Sensitive Assets up to -6.67%.

Calculations of the interest-rate risk indicators in accordance with the methodology in subclause 3.6. of the Instructions No. 4336-U of the Bank of Russia (based on the reporting data 0409127):

Interval	To weight %	1/1/2019 GAP	1/1/2019 GSP	1/1/2020 GAP	1/1/2020 GSP	Checkpoint values	
						CIR	LIMIT
up to 30 days	0,1	238 386	191	-93 664	-75		
31 to 90 days	0,3	-1 092 038	-3 276	-775 604	-2 327		
91 to 180 days	0,7	-321 814	-2 124	5 048	33		
181 days to 1 year	1,3	658 238	8 360	-317 907	-4 037		
1 to 2 years	2,4	-38 221	-902	791 694	18 684		
2 to 3 years	3,6	1 898 797	67 597	144 684	5 151		
3 to 4 years	4,5	171 837	7 733	1 640 384	73 817		
4 to 5 years	5,3	1 622 027	85 967	1 080 077	57 244		
5 to 7 years	6,2	-371 780	-23 050	620 859	38 493		
7 to 10 years	6,8	-146 477	-9 960	1 022 212	69 510		
10 to 15 years	6,9	161 739	11 160	559 840	38 629		
15 to 20 years	6,0	27 965	1 678	85 023	5 101		



over 20 years	4,8	0	0	0	0		
Weighted open long positions (WOLP)			182 685	x	306 663		
Weighted open short positions (WOSP)			-39 313	x	-6 439		
Interest-rate risk value  WOLP  -  WOSP			143 373	x	300 224		
Capital			5 262 200	x	5 314 800	310 000	330 000
Interest-rate risk indicator			2,72%	x	5,65%	16%	18%

Core methods used by the Bank to reduce and limit the level of interest-rate risks taken:

- Setting a limit on interest-rate risk;
- Monitoring of compliance with the limits set;
- Procedures for immediately informing the Supervisory Board and the Chairperson about any infringements of the limits set;
- Neutralization of claims and liabilities (immunization); and
- Developing alternative strategies or action plans for the alternative scenarios of changes in interest rates.

The following interest-rate risk limits can be used to limit the risks taken:

- Limit on the total gap to assets;
- Limit on changes in the interest income where interest rates change by 200 bps;
- Maximum rates on raising various types of funds by raising terms;
- Minimum rates in terms of credit products and periods; etc.

### Liquidity risk

Procedures for evaluating and managing liquidity risks is governed by the Regulations on Liquidity Risk Management in JSCB "Energobank" (JSC). The risk is identified within the following procedures:

- Daily monitoring of the liquidity situation, performed by the Bank's Treasury (based on business departments information on the status of liquid assets and the plan of operations for the next day, the Treasury generates a report on the financial results of the previous day, a financial plan, and a liquidity forecast, daily calculations of the status of the instant, current and long-term liquidity by the Department for Consolidated Statements and IFRS, the development and prompt control of action plans in the event of a forecast of liquidity shortages and economic disruptions; and
- Quarterly liquidity monitoring: Calculation of instant, current and long-term liquidity indicators as of the dates within the same month, an opinion on the observance of liquidity ratios; analysis of compliance with the liquidity limits; and a conclusion on the need for additional activities in liquidity management.

### Changes in liquidity ratios over 2019:

Liquidity ratios	1/1/2019	1/4/2019	1/7/2019	1/10/2019	1/1/2020	Reference indicator	Limit
R2 (at least 15%)	104,24%	98,20%	92,88%	76,91%	102,87%	24%	20%
R3 (at least 50%)	112,00%	120,68%	101,26%	104,52%	107,33%	60%	55%
R4 (at most 120%)	84,70%	86,92%	99,61%	92,93%	96,28%	115%	118%

The Bank considers the following potential liquidity risk factors:

- Quality of assets and liabilities;
- Degree of misalignment in assets and liabilities by terms, amounts and individual currencies;
- Development of securities market and possibility to raise on the interbank credit market;
- Image of the Bank;
- Economic stability in the country/operations area;

- Level of the banking management.

Liquidity risk is evaluated using the following methods: Analysis of instant, current and long-term liquidity ratios in accordance with the methodology established by the Bank of Russia's Instruction No. 139-I; and the GAP Analysis method in the maturity of claims and liabilities.

### Gaps in the maturities of claims and liabilities (Liquidity surplus/shortage coefficient, in %):

Duration\Date	1/1/2019	1/4/2019	1/7/2019	1/10/2019	1/1/2020	Reference indicator	Limit
On demand and for 1 day	-12,2	-1,4	-28	-37,5	-17,6	-63	-70
up to 5 days	-6,3	1,3	-24,1	-15,4	-19,1	-63	-70
up to 10 days	-6,7	15	-9,7	-1,5	-8,2	-54	-60
up to 20 days	4,3	11,5	-12,6	-5,5	-7	-54	-60
up to 30 days	-4,2	4,7	-13,5	-6,7	-12,5	-54	-60
up to 90 days	-21,4	-5,8	-20,5	-13,3	-26,4	-54	-60
up to 180 days	-27,2	-11,3	-22,2	-25,4	-28,7	-63	-70
up to 270 days	-24,3	-8,1	-32,8	-23,9	-28,8	-72	-80
up to 1 year	-22,5	-21,3	-31,5	-22,9	-30,8	-72	-80
over 1 year	-13,1	-6,2	-9,4	-7,5	-5	-72	-80

### In addition, the Bank considers certain liquidity assessment ratios provided by the Bank of Russia's Regulation No. 4336-U:

Ratio	1/1/2019	1/4/2019	1/7/2019	1/10/2019	1/1/2020	Control Risk Indicator	Limit
Overall short-term liquidity ratio (Lr1)	44,20%	45,29%	39,12%	46,30%	43,85%	22%	21%
Raised funds structure ratio (LR4)	31,40%	33,05%	36,40%	38,40%	35,10%	39%	40%

Liquidity risk is managed by establishing the procedures for daily, monthly, and quarterly management of this type of risk. Capital amounts intended for covering the liquidity risk are determined as part of the capital provisions for residual risks.

Compliance with the Regulations on the Liquidity Management Policy and with the procedures provided therein is controlled within the internal control system.

In stress testing the liquidity risk, the Bank pays particular attention to concentrating the passive transactions on the groups of associated creditors and to evaluating the impact of a single and sudden withdrawal of funds by a Group of Large Creditors/Depositors of the Bank.

As part of the implementation of the procedure for stress-testing of liquidity risk, the scenario is considered regarding one-time claims for deposits and current accounts of the largest creditors of the Bank and its impact on the Bank's liquidity ratios,

capital adequacy, and financial performance. It also considers the action plan for restoring the liquidity and its basic sources.

The Bank considers the following potential sources of restoring the liquidity for the stress scenario:

- Funds and balances on correspondent accounts, returns of the funds placed under previously executed contracts, such as IBC, REPO operations, or deposits within the CB;
- Selling liquid securities;
- Raising funds on the IBC market;
- Raising deposits of legal entities and individuals and prolongation of existing deposits; and
- Reducing/shortening the terms of loan maturities and, in an extreme case, assigning claim rights under credit agreements.

Among additional measures of limiting the liquidity risk, the Bank also considers the increase in its own debt obligations, increasing the Bank's capital, and reducing administrative expenses.

Stress testing of liquidity risk is performed on a quarterly basis.



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Funding its activities in cases of unpredictable decrease in the Bank's liquidity is performed in accordance with the approved plan of anti-crisis measures of JSCB "Energobank" for ensuring stability and liquidity. The main goals of the plan are maintaining the liquidity and determining the Bank's procedures, including determining the sources of restoring the liquidity.



### 3. Annual accounting (financial) statements of JSCB "Energobank"





### 3.1. Audit Opinion on the Annual Accounting

To shareholders of Joint-Stock Commercial Bank "Energobank" (Joint-Stock Company)

#### Opinion

We have audited the attached annual accounting (financial) statements of Joint-Stock Commercial Bank "Energobank" (Joint-Stock Company) (OGRN 1021600000289, 13/52 Pushkina str., Kazan 420111, Russia) (hereinafter, the "Bank"), consisting of:

- 1) Balance Sheet (published form) for the year 2019;
- 2) Profit and Loss Statement (published form) for the year 2019;
- 3) Notes to the Balance Sheet and to the Profit and Loss Statement;
  - Statement of the Risk Coverage Capital Adequacy (published form) as of January 1, 2020;
  - Capital Statement of the Lending Agency (published form) as of January 1, 2020,
  - Information on statutory ratios, financial leverage ratio, and liquidity coverage ratio (published form) as of January 1, 2020;
  - Cash Flow Statement (published form) as of January 1, 2020;
- 4) Explanatory information on the Bank's annual accounting (financial) statements, including a short review of the basic provisions of accounting policy.

In our opinion, the attached annual accounting (financial) statements, in all material aspects, gives a true and fair view of the financial situation of Joint-Stock Commercial Bank "Energobank" (joint-stock company) as of December 31, 2019, as well as its financial performance and cash flows for the year 2019 in accordance with the annual accounting (financial) reporting rules for lending organizations, laid down in the Russian Federation.

#### Basis for Our Audit Opinion

We conducted the audit in accordance with International Standards on Auditing (ISA). Our responsibility, according to the above Standards, is further disclosed in the section of Auditor's Responsibility for Auditing the Annual Accounting (Financial) Statements in this Audit Opinion.

We are independent of the Bank in accordance with the Code of Ethics for Professional Accountants of the Accounting Professional and Ethical Standards Board (hereinafter, the "APESB Code") and with the ethical requirements of the Code of Ethics for Professional Auditors and the Rules of Independence of Auditors and Audit Organizations applicable to our audit of annual accounting (financial) statements in the Russian Federation, and we have fulfilled other ethical duties in accordance with the above requirements and with the APESB Code.

We suppose that the audit evidence we have received is sufficient and appropriate to be the grounds for expressing our opinion.

#### Key Aspects of Audit

Key aspects of audit are the aspects that, according to our professional judgment, were the most significant for our audit of annual accounting (financial) statements for the current period. These aspects were considered in the context of our audit of the annual accounting (financial) statements as a whole and in forming our opinion on those statements, and we don't express an individual opinion on those aspects.

*Estimation of the expected credit losses on loan debts estimated at amortized value.*

We defined this issue as a key one due to the material importance of the provisions for expected credit losses on loan debts estimated at amortized value (hereinafter, loans), as well as due to the complexity and necessity of applying the judgments regarding the estimation of the expected credit losses in compliance with Regulation No. 605-P<sup>1</sup> of the Bank of Russia, dated October, 2017 and IFRS 9: Financial Instruments (hereinafter, IFRS 9).

Amounts of provisions for expected credit losses on loans depend on the correctness of their distribution by impairment stages. Valuation of the provisions for the expected credit losses on loans is the key area of the Bank's management judgment. Using various models and assumptions may considerably affect the level of the provisions for the expected credit losses on loans.

Information on estimated provisions for loans is disclosed in clause 3.3 Information on the amounts of net investments in financial assets measured at amortized value; the Bank's approach to forming estimated provisions for and managing credit risk is disclosed in sub-clause 7.3 Procedures for Managing Specific Types of Bank's Risks – explanatory information on the Bank's annual accounting (financial) reports.

*Within the audit on this key aspect, the following procedures were performed:*

- We examined the Bank's internal documents defining the methodology for estimating the provisions for expected credit losses on loans.
- We have gained an understanding of procedures and appropriate controls to assess and monitor the level of expected credit losses on loans.
- We assessed the reasonability of the credit risk factors and threshold values chosen by the Bank's management to detect the significant increase in credit risk at assessment on an individual and collective basis.
- We analyzed statistical models, as well as forecasts and assumptions underlying the calculations of the estimated provisions for the expected credit losses on loans. Our work included a comparative analysis of the Bank's assumptions with other practices known to us and testing models using analytical procedures.
- On a selective basis, we tested the adequacy of the estimated provisions for the expected credit losses on loans measured on an individual basis, including the estimation of the credit risk factors used by the Bank, analysis of assumptions classification by stages in respect of future cash flows, including the cost of collaterals and probability of possible scenarios.
- On loans in stage 1 and stage 2, we conducted a sample analysis of borrowers' creditworthiness and evaluated the Bank's analysis of the negative increase in credit risk. We checked whether the impairment factors were timely

identified, such as overdue interest or principal loan repayments, restructuring, worsening of financial ratios, etc., to assess the proper stage of the loan.

- We studied the integrity of the models for identifying the expected credit losses, as well as the validity of assumptions in calculating the probability of default (PD) and loss given default (LGD) on loans on a group (portfolio) basis by checking on a selective basis the fact that raw data and key assumptions used in the calculation models for PD and LGD, and consider the correct historical data regarding the credit losses incurred and available forecasting macroeconomic information.
- We checked the completeness and correctness of the data disclosure in the explanatory information to the annual accounting (financial) statements.
- In testing, we have not identified any material deviations.

#### **Other Information**

The management shall be responsible for other information. Other information includes the data contained in the Annual Report and in the Information on the Risks Accepted, Risk Assessment Procedures, and Risk & Capital Management, but it does not include the annual accounting (financial) statements or our audit opinion about it.

Our opinion on the annual accounting (financial) statements does not cover the other information, and we do not provide a conclusion expressing confidence in any form regarding this information. As related to our audit of the annual accounting (financial) statements, it is our responsibility to review the other information and to consider the matter of whether there are any material inconsistencies between other information and the annual accounting (financial) statements or our knowledge gained in the course of auditing, and whether the other information contains any other possible material errors or omissions.

<sup>1</sup> Regulations No. 605-P of the Bank of Russia, dated October 2, 2017: On the Procedures of Reflecting by Lending Agencies on the Accounting Balances the Operations Aimed at Granting/Allocating Funds under Credit Contracts or Other Contracts for Placing Money, Operations Related to Performing Transactions on Purchasing the Claim Right from Third Parties to Fulfill Obligations in Monetary Form, and Operations with Liabilities on Bank Guarantees Granted and on Granting Funds.



If, based on our work, we conclude that such other information contains a material error or omission, we must report that fact. We have not identified any facts that need to be reported in our opinion.

*Responsibility of the management and persons responsible for corporate governance, for the annual accounting (financial) statements.*

The management is responsible for preparing and reliably presenting these annual accounting (financial) reports in accordance with the annual accounting (financial) reporting rules for lending agencies, established in the Russian Federation, and for the internal control system that the management considers to be necessary for preparing the annual accounting (financial) reports containing no material misstatements, whether due to fraud or error.

In preparing their annual accounting (financial) reports, the management shall be responsible for assessing the Bank's ability to perform its activities continuously; for disclosing, in relevant cases, the information relating to the continuity of activities; and for preparing the reports based on the assumption of continuous operations, except for the cases where the management intends to liquidate the Bank, terminate its activities, or if they have no other real alternative but liquidate or terminate its activities.

Persons responsible for corporate governance are responsible for overseeing the preparation of annual accounting (financial) statements.

*Auditor's Responsibility for Auditing the Annual Accounting (Financial) Statements*

Our goal is to achieve reasonable assurance that the annual accounting (financial) statements are free of material misstatements, whether due to fraud or error, and to issue an audit report containing our opinion. Reasonable confidence means a high degree of confidence, but it is not a guarantee that the audit performed in accordance with the ISA always detects material errors or omissions, if any. The latter ones may be caused by fraud or error and are considered material, if it can reasonably be assumed that, individually or collectively, they may

affect the economic decisions to be made by users, based on these annual accounting (financial) statements.

As a part of the ISA audit, we apply our professional judgment and maintain our professional scepticism throughout the audit. In addition, we perform the following:

- Identify and assess the risks of significant errors or omissions, whether due to fraud or error, in the annual accounting (financial) statements; develop and conduct audit procedures in response to these risks; and obtain audit evidence sufficient and appropriate to serve as a basis for expressing our opinion. Risk of non-detecting any significant errors or omissions due to fraud is higher than the risk of non-detecting any significant errors or omissions to error, since fraud may include collusion, forgery, willful omission, misrepresentation of data, or actions to circumvent the internal control system;
- Get an idea of the internal control system significant for the audit in order to develop audit procedures relevant to the circumstances, but not to express our opinion on the efficiency of the Bank's internal control system;
- Assess the appropriateness of the accounting policy used and the reasonableness of the estimates calculated by the management and relevant to the disclosure;
- Draw a conclusion regarding the legitimacy of applying by the management the assumption of the continuity of activities. Based on the audit evidence obtained, we also conclude about whether there is a considerable uncertainty due to any events or conditions that may lead to serious doubt of the Bank's ability to continue its activities uninterrupted. If we conclude on the presence of a considerable uncertainty, we must draw attention in our auditor's opinion to the relevant disclosure of information in the annual accounting (financial) reports or, if such disclosure is improper, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our audit opinion. However, future events or conditions may lead to the Bank losing its ability to continue its activities uninterrupted; and

- Assess the presentation of the annual accounting (financial) statements as a whole, its structure and contents, including information disclosure, and whether the annual accounting (financial) statements represent the underlying operations and events in a manner that they are presented correctly.

We communicate with those responsible for corporate governance, informing them, among other things, about the planned scope and timing of the audit, as well as about significant observations on the audit results, including about the significant vulnerabilities of the internal control system, which we detect during the audit.

We also provide those responsible for corporate governance with a statement that we have complied with all relevant ethical requirements regarding independence and informed those persons about all relationships and other matters that can reasonably be considered to affect the auditor's independence, and, where appropriate about the relevant precautions.

Of the matters that we have communicated to those responsible for corporate governance, we identify those being most significant for auditing the annual accounting (financial) statements for the current periods and, therefore, the key aspects of audit. We describe these matters in our audit opinion, unless public disclosure of these matters is prohibited by law or regulation, or unless, in very rare cases, we conclude that information on a matter should not be disclosed in our audit opinion, as it can reasonably be assumed that the adverse effects of reporting such information would exceed the socially significant benefit of disclosing it.

### **Report in accordance with other legal and regulatory requirements**

#### ***Report on the findings in accordance with the requirements of Art. 42 of Federal Law No. 395-1 "On Banks and Banking Activities" dated December 2, 1990.***

The Bank's management is responsible for the Bank's compliance with the mandatory standards set by the Bank of Russia, as well as for the

compliance of the internal control and of organizing the Bank's risk management systems with the Bank of Russia's requirements for such systems.

In accordance with the requirements of Article 42 of the Federal Law No. 395-1 "On Banks and Banking Activities" dated December 2, 1990, in the course of our audit of the Bank's Accounting/Financial Report for the year 2019, we audited the following:

- 1) The Bank's compliance with the statutory ratios established by the Bank of Russia, as of January 1, 2020;
- 2) The compliance of the Bank's internal control and risk management systems with the requirements set by the Bank of Russia for such systems, including:
  - The reporting relationships of risk management departments;
  - The availability in the Bank of the methods for identifying risks critical for the Bank, managing such risks, and performing stress testing, approved by the Bank's authorized management bodies; as well as the availability of the reporting system on the risks critical to the Bank and on the capital;
  - Consistency in the Bank's application the methods of managing the risks critical to the Bank and assessment of their efficiency; and
  - The control performed by the Bank's Supervisory Board and executive authorities regarding the maximum risk and capital adequacy values established by the Bank's internal documents, the efficiency of the risk management procedures applied in the Bank, and the sequence of applying thereof.

In order to perform the above audit, we chose the auditing procedures based on our opinion, which had been limited by requesting, analyzing, and studying the documents, as well as by comparing the requirements, procedures, and methods approved by the Bank to those set by the Bank of Russia, and by recalculating, comparing, and checking figures and other data.

The results of the audit performed are given below.

1. *The Bank's compliance with the statutory ratios established by the Bank of Russia.*

We found that, as of January 1, 2020, the Bank's obligatory ratios were within the limits set by the Bank of Russia.



We did not perform any additional procedures regarding the Bank's accounting figures, except for those we had considered to be necessary for expressing our opinion on whether the Bank's Annual Accounting/Financial Report had given in all material aspects a true and fair view of its financial status as of January 1, 2020, as well as the financial results of its activities, and its cash flow for year 2019 in compliance with the accounting principles to be used by lending agencies in their annual accounting/financial reports, established in the Russian Federation.

*2. The compliance of the Bank's internal control and risk management systems with the requirements set by the Bank of Russia for such systems.*

2.1. We found that, in accordance with the Bank of Russia's requirements and recommendations, as of January 1, 2020, the Bank's Internal Audit Service was under the control of and reported to the Bank's Supervisory Board, while the Bank's risk management departments were not under the control of and did not report to the departments taking the relevant risks.

2.2. We also found that the Bank's internal documents effective as of January 1, 2020, and setting the methods of identifying and managing credit, operational, market, interest, liquidity, and concentration risks critical to the Bank, and those of performing stress testing had been approved by the Bank's authorized bodies in accordance with the Bank of Russia's regulations and recommendations, and that such methods were applied in a consistent manner.

2.3. We also found that, as of January 1, 2020, the Bank had a reporting system on credit, operational,

market, and liquidity risks critical to the Bank, as well as on the Bank's capital base.

The periodicity and consistency of reports prepared by the Bank's risk management departments and by the Bank's Internal Audit Service within 2019 regarding managing the credit, operational, market, and liquidity risks complied with the Bank's internal documents. The said reports included the results of monitoring by the Bank's risk management departments and by the Bank's Internal audit Service regarding the evaluation of the efficiency of the methods applied by the Bank to identify critical risks and to manage such critical risks, as well as recommendations on improving them.

2.4. We should also note that, as of January 1, 2020, the Bank's Supervisory Board's and executive management bodies' powers and authorities include controlling the Bank's compliance with the maximum risk and capital adequacy values set by the Bank's internal documents. In order to monitor the effectiveness of the Bank's risk management procedures and consistency of their application during 2019. The Bank's Supervisory Board and its executive authorities regularly discussed the reports prepared by the Bank's risk management subdivisions and internal audit service, and considered the measures proposed to address shortcomings.

We performed the procedures regarding the elements of the Bank's internal control and risk management systems solely for the purpose of checking them for compliance with the Bank of Russia's requirements for such systems.

**Natalia Yurievna Tuzankina** led the task underlying this audit opinion of the independent auditor.

Deputy Director General  
of ZAO Prof-Auditum

**April 6, 2020**

**Audit organization**

Closed Joint-Stock Company (Russian: ZAO) "Prof-Auditum"  
8 Dostoyevskogo str., Bldg. 7N-2, 420012 Kazan, Russia  
OGRN 1031628221833



ZAO "Prof-Auditum" is a member of the self-regulating organization of auditors "Russian Union of Auditors" (Association) ORNZ (Principal Number of Registration Entry) in the register of auditors and audit organizations is 10403043761

/ V.E. Fedosova  
Auditor's qualification certificate  
No. 05-000257, ORNZ – 21703010376

Round seal:  
"REPUBLIC OF TATARSTAN, KAZAN, CLOSED  
JOINT-STOCK COMPANY PROF-AUDITUM, INN 1659049994"

**3.2. Forms 0409806-0409814****BALANCE SHEET**  
(published form) for the year 2019.Territory code by OKATO  
(Russian Classification on Objects  
of Administrative Division)  
92  
Code of the lending agency (branch)  
by OKPO (General Classifier  
of Enterprises and Organizations)  
09265941  
registration number  
(/No.)  
67

Lending agency

Joint-Stock Commercial Bank "Energobank" (Joint Stock Company), JSCB "Energobank" (JSC)  
(full and abbreviated legal name)

Address (location) of the lending agency

13/52 PUSHKINA STR., KAZAN

OKUD (General Russian Classification of Management Documentation)  
form code 0409806 Quarterly (Annual)

Line number	Item	Note number	Figures for the reporting period in RUB ths.	Figures for the preceding reporting year in RUB ths.
1	2	3	4	5
<b>I. ASSETS</b>				
1	Cash	3.1	394876	430328
2	The Lending Agency's Funds with the Central Bank of the Russian Federation	3.1	418189	412615
2.1	Statutory Reserves	3.1	140143	146288
3	Funds in Lending Agencies	3.1	197949	356124
4	Financial Assets at Fair Value through Profit or Loss	3.2	3734413	2934240
5	Net lending receivables carried at amortized cost	3.3	12044520	
5a	Net loan debt			12338424
6	Net investments in financial assets, carried at fair value through other comprehensive income		0	
6a	Net investments in securities or other financial assets available for sale			212477
7	Net investments in securities and other financial assets carried at amortized cost, less loan receivables		0	0
7a	Net investments in securities held to maturity			
8	Investments in Subsidiaries and Affiliates		0	0
9	Current income tax liability		22794	0
10	Deferred tax asset		38	18055
11	Premises, Equipment, Intangible Assets, and Material Inventories	3.4	274399	264547
12	Non-current assets held for sale		4313	0
13	Other Assets	3.5	156669	181914
14	Total assets		17248160	17148724
<b>II. LIABILITIES</b>				
15	Loans, deposits, and other funds of the Central Bank of the Russian Federation		8950	145000
16	Funds of customers, carried at amortized cost	3.6	11871285	12245105
16.1	Funds due to lending agencies		17	0
16.2	Funds held for non-lending customers		11871268	12245105
16.2.1	Deposits (funds) of individuals, including individual entrepreneurs		6297326	6268560
17	Financial assets at fair value through profit or loss		0	0
17.1	Deposits (funds) of individuals, including individual entrepreneurs		0	0
18	Debt securities issued		0	0
18.1	and evaluated at fair cost through profit or loss		0	
18.2	and evaluated at amortized cost		0	
19	Current income tax liabilities		40153	76945
20	Deferred tax liabilities		76089	0
21	Other liabilities	3.8	49409	347395
22	Provisions for possible losses on credit-related contingencies, other possible losses, and transactions with off-shore residents		52906	11411
23	Total liabilities		12098792	12825856
<b>III. SOURCES OF OWN FUNDS</b>				
24	Shareholders' funds		2137400	2137400
25	Repurchased stock/shares		1593	0
26	Share premium		0	0
27	Contingency fund		1157863	1157863
28	Revaluating at fair cost the financial assets carried at fair cost through other comprehensive income, reduced by the deferred tax liability (increased by the deferred tax asset)		0	-3522
29	Revaluation of fixed assets and intangible assets reduced by deferred tax liability		38746	38876
30	Revaluation of liabilities/claims for paying long-term remunerations		0	0
31	Revaluation of hedge instruments		0	0
32	Grant financing monetary assets (contributions to property)		0	0
33	Financial asset fair cost changes due to changes in credit risk		0	0
34	Valuation provisions for expected credit losses		0	0
35	Unused profit/loss		1816952	992251
36	Total sources of working capital		5149368	4322868
<b>IV. OFF-BALANCE LIABILITIES</b>				
37	Irrevocable commitments of the lending agency		1860221	1342324
38	Guarantees and letters of comfort issued by the lending agency		88977	131918
39	Non-credit contingent liabilities		0	

Manager



*I.P. Konnova*  
*F.I. Yagofarova*  
*A.E. Zolina*

I.P. Konnova

Chief Accountant

F.I. Yagofarova

Deputy Head of the Department of Consolidated Statements &amp; IFRS

A.E. Zolina

Phone:  
23-03-2020

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Comments on the report: 1. In lines 5 and 22 of Form 0409806, the reserve amount is shown by the economic contents of the assets included in this item.  
2. Data as of 1/1/2019 are provided considering EARD.

Date of disclosure on the bank's website: November 12, 2019. Round seal: "Joint-Stock Commercial Bank "Energobank" (Joint-Stock company), OGRN 102160000289"

**PROFIT AND LOSS STATEMENT**  
(published form) for the year 2019.Territory code by OKATO  
(Russian Classification on Objects  
of Administrative Division)  
92Code of the lending agency (branch)  
by OKPO (General Classifier  
of Enterprises and Organizations)  
09265941 registration number  
(/No.)  
67

Lending agency

Joint-Stock Commercial Bank "Energobank" (Joint Stock Company), JSCB "Energobank" (JSC)  
(full and abbreviated legal name)

Address (location) of the lending agency

13/52 PUSHKINA STR., KAZAN

Section 1. Prpfits and Losses

OKUD (General Russian Classification of Management Documentation)  
form code 0409806 Quarterly (Annual)

Line number	Item	Note number	Figures for the reporting period in RUB ths.	Figures for the preceding reporting year in RUB ths.
1	2	3	4	5
1	Interest yields, total, including:	4.1	2120499	2069291
1.1	from placements in lending agencies		91567	1117366
1.2	from loans granted to non-lending customers		1831180	1820405
1.3	from leasing services provided		0	0
1.4	from investments in securities		197752	131520
2	Interest costs, total, including:	4.1	665746	737389
2.1	funds raised from lending agencies		4321	9381
2.2	from funds raised from non lending customers		661425	726601
2.3	from promissory notes issued		0	1407
3	Net interest yields (negative interest margin)		1454753	1331902
4	Changes in provisions for possible losses on loans, loan and loan-equivalent debts, funds on correspondent accounts, and interest yields accrued, total, including:		-71780	-59002
4.1	Changes in provisions for possible losses and evaluation provision for expected credit losses on accrued interest income		22190	-45162
5	Net interest yields (negative interest margin) upon creation of the provisions for possible losses		1382973	1272900
6	Net earnings from operations with financial assets assessed at their fair value through profit or loss		52123	-7831
7	Net earnings from operations with financial liabilities assessed at their fair value through profit or loss			
8	Net earnings from operations with securities carried at fair value through other comprehensive income		0	0
8a	Net earnings from operations with securities available for sale			-4862
9	Net earnings from operations with securities carried at amortized cost		0	0
9a	Net earnings from operations with securities held to maturity			
10	Net earnings from operations with foreign currencies		-81005	119902
11	Net earnings from foreign currency revaluation		65976	-125025
12	Net earnings from operations with precious metals			
13	Income from shareholdings		191	1178
14	Fee and commission income		202078	206666
15	Fee and commission expenses		41869	40181
16	Changes in provisions for possible losses and evaluation provision for expected credit losses on securities carried at fair value through other comprehensive income			
16a	Changes in the provisions for possible losses on securities available for sale			582
17	Changes in provisions for possible losses and evaluation provision for expected credit losses on securities carried at amortized cost			
17a	Changes in the provisions for possible losses on securities held to maturity			
18	Changes in the provisions for other losses		-68208	-16466
19	Other operating earnings		190378	77010
20	Net earnings/expenditures		1702637	1483873
21	Operating expenses		692581	647318
22	Profit/loss before tax		1010056	836555
23	Tax indemnity/expense	4.4	237104	174613
24	Profit/loss from continuing operations		772952	661942
25	Profit/loss from ceased operations			0
26	Profits/losses within the reporting period		772952	661942

Section 2. Other comprehensive income

Line number	Item	Note number	Figures for the reporting period in RUB ths.	Figures for the preceding reporting year in RUB ths.
1	2	3	4	5
1	Profits/losses within the reporting period		772952	661942
2	Other total income/loss		X	X
3	Items that are not reclassified in profit or loss, total, including:			
3.1	changes in the fixed assets revaluation funds and intangible assets			
3.2	changes in the staff retirement plan liabilities/claims revaluation reserve on authorized payment programs			
4	Income tax relating to items that cannot be reclassified in profit or loss		130	78
5	Other total income/loss that cannot be reclassified in profit or loss, net of income tax		-130	-78
6	Items that can be reclassified in profit or loss, total, including:		0	-4999
6.1	changes in the funds of revaluing financial assets carried at fair value through other comprehensive income			
6.1a	changes in the revaluation reserve of financial assets available for sale			-4999

Section 2. Other comprehensive income

Line number	Item	Note number	Figures for the reporting period in RUB ths.	Figures for the preceding reporting year in RUB ths.
1	2	3	4	5
6.2	changes in the funds of revaluing financial liabilities carried at fair value through profit/loss			
6.3	changes in the cash flow hedge fund			
7	Income tax relating to items that can be reclassified in profit or loss		902	-1000
8	Other total income/loss that can be reclassified in profit or loss, net of income tax		-902	-3999
9	Other total income/loss, net of income tax		-1032	-4077
10	Financial performance for the reporting period		771920	657865

Manager



*[Handwritten signature]*

I.P. Konnova

Chief Accountant

*[Handwritten signature]*

F.I. Yagofarova

Deputy Head of the Department of Consolidated Statements & IFRS

*[Handwritten signature]*

A.E. Zolina

Phone:  
23-03-2020

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Round seal: "Joint-Stock Commercial Bank "Energobank" (Joint-Stock company), OGRN 1021600000289"



**RISK-BASED CAPITAL ADEQUACY STATEMENT**  
(published form) as of January 1, 2020Territory code by OKATO  
(Russian Classification on Objects  
of Administrative Division)  
92Code of the lending agency (branch)  
by OKPO (General Classifier  
of Enterprises and Organizations)  
09265941registration number  
(/No.)  
67

Lending agency

Joint-Stock Commercial Bank "Energobank" (Joint Stock Company), JSCB "Energobank" (JSC)  
(full and abbreviated legal name)

Address (location) of the lending agency

13/52 PUSHKINA STR., KAZAN

OKUD (General Russian Classification of Management Documentation)  
form code 0409806 Quarterly (Annual)

## Section 1. Capital Adequacy Information

RUB ths.

Line number	Instrument/Indicator Name	Note number	Instrument cost (item value) as of reporting date	Instrument cost (item value) as at the beginning of the reporting year	Reference to balance sheet (published form) items that are sources of capital elements
1	2	3	4	5	6
<b>Sources of the core capital</b>					
1	Authorized capital and capital surplus, in total, including that formed by:		2137400	2137400	24
1.1	ordinary shares/stock		2137400	2137400	24
1.2	preference shares				
2	Undistributed profit/loss:		985752	330309	35
2.1	of past years		985752	330309	
2.2	of the reporting year				
3	Contingency fund		1157863	1157863	27
4	The authorized capital shares to be on a step-by-step basis excluded from calculating the base capital		not applicable	not applicable	
5	Subsidiaries' core capital instruments owned by third parties		not applicable	not applicable	
6	<b>Sources of the core capital, in total:</b> (Line 1 +/- Line 2 + Line 3 - Line 4 + Line 5)		<b>4281015</b>	<b>3625572</b>	
<b>Items decreasing the sources of the core capital</b>					
7	Adjusting the cost of a financial instrument		not applicable	not applicable	
8	Business reputation (goodwill) minus deferred tax liabilities				
9	Intangible assets (except for business reputation and mortgage service rights in total) minus deferred tax liabilities		122184	98880	11
10	Deferred tax assets depending on income receivable		38	47	10
11	Cash Flow hedge reserves		not applicable	not applicable	
12	Incomplete provisions for possible losses				
13	Income from securitization transactions		not applicable	not applicable	
14	Revenues and expenses relating to changes in credit risks on liabilities evaluated at their fair value		not applicable	not applicable	
15	Plan assets with defined benefits		not applicable	not applicable	
16	Investments into own shares/stock		1593		25
17	The lending agency's and the financial institution's counter-investments in the core capital instruments		not applicable	not applicable	
18	Insignificant investments into the core capital instruments of financial institutions				
19	Substantial investments into the core capital instruments of financial institutions				
20	Mortgage service rights		not applicable	not applicable	
21	Deferred tax assets non-depending on income receivable				
22	The total amount of substantial investments and deferred tax assets in the part exceeding 15 per cent of the core capital, total, including:				
23	substantial investments into the core capital instruments of financial institutions				
24	mortgage service rights		not applicable	not applicable	
25	deferred tax assets non-depending on income receivable				
26	Other items reducing the sources of core capital, established by the Bank of Russia		1	1	
27	Negative value of the capital surplus				
28	Indicators reducing the sources of core capital, total: (sum of Lines 7 through 22 and Lines 26 and 27)		123816	98928	
29	<b>Core capital, total:</b> (Line 6 - Line 28)		<b>4157199</b>	<b>3526644</b>	
<b>Sources of capital surplus</b>					
30	Capital surplus instruments and share premium values, total, including:				
31	classified as capital				
32	classified as liabilities				
33	Capital surplus instruments to be on a step-by-step basis excluded from calculating the base capital				
34	Subsidiaries' capital surplus instruments owned by third parties, total, including:		not applicable	not applicable	
35	subsidiaries' capital surplus instruments to be on a step-by-step basis excluded from calculating the base capital				
36	<b>Sources of the capital surplus, in total:</b> (Line 30 + Line 33 + Line 34)				
<b>Items decreasing the sources of capital surplus</b>					
37	Investments into own instruments of capital surplus				
38	The lending agency's and the financial institution's counter-investments in the capital surplus instruments		not applicable	not applicable	
39	Insignificant investments into the capital surplus instruments of financial institutions				
40	Substantial investments into the capital surplus instruments of financial institutions				
41	Other items reducing the sources of capital surplus, established by the Bank of Russia		0	0	
42	Negative value of the paid-in capital in excess of par				
43	Items reducing the sources of the capital surplus, total: (sum of Lines 37 through 42)		0	0	
44	Capital surplus, total: (Line 36 - Line 43)		0		
45	<b>Equity, total:</b> (Line 29 + Line 44)		<b>4157199</b>	<b>3526644</b>	
<b>Sources of the paid-in capital in excess of par</b>					
46	Instruments of and income from the paid-in capital in excess of par		1321039	1658757	35,28,29,16
47	The instruments of capital paid-in in excess of par value to be on a step-by-step basis excluded from calculating the base capital				
48	Subsidiaries' paid-in capital instruments owned by third parties, total, including:		not applicable	not applicable	
49	Subsidiaries' instruments of paid-in capital in excess of par, to be on a step-by-step basis excluded from calculating the base capital				
50	Provisions for possible losses		not applicable	not applicable	
51	<b>Sources of the paid-in capital in excess of par, in total:</b> (Line 46 + Line 47 + Line 48 + Line 50)		<b>1321039</b>	<b>1658757</b>	

Items decreasing the sources of the paid-in capital in excess of par			
52	Investments into own instruments of paid-in capital in excess of par	not applicable	not applicable
53	The lending agency's and the financial institution's counter-investments in the paid-in capital instruments		
54	Non-essential investments in additional capital instruments and other instruments that provide overall capacity to absorb losses of financial institutions		
54a	Investments in other instruments that provide overall capacity to absorb losses of financial institutions		
55	Essential investments in additional capital instruments and other instruments that provide overall capacity to absorb losses of financial institutions		
56	Other items reducing the sources of paid-in capital in excess of par, set by the Bank of Russia, total, including:		
56.1	receivables overdue longer than 30 calendar days		
56.2	exceeding by the total amount of loans, bank guarantees, and sureties granted to its own shareholders and insiders over its maximum amount		
56.3	investments into constructing and purchasing fixed assets and supplies		
56.4	difference between the actual value of the share owed to withdrawn shareholders and the value, at which the share was sold to another shareholder		
57	Items reducing the sources of paid-in capital in excess of par, total (sum of Lines 52 through 56)		
58	Paid-in capital in excess of par, total (line 51 — line 57)	1321039	1658757
59	Base capital, total (line 45 + line 58)	5 5478238	5185401
60	Assets weighed by their risk levels:	X	X
60.1	necessary to estimate the core capital adequacy	16804047	16926594
60.2	necessary to estimate the fixed capital adequacy	16804047	16926594
60.3	necessary to estimate the base capital adequacy	16850588	16973135
Base capital adequacy ratios and buffers for base capital ratios, percentage			
61	Core capital adequacy (Line 29:Line 60.1)	24.739	20.835
62	Fixed capital adequacy (Line 45:Line 60.2)	24.739	20.835
63	Base capital adequacy (Line 59:Line 60.3)	32.511	30.551
64	Buffers for core capital adequacy ratios, total, including:	2.2500	1.8750
		not applicable	not applicable
65	capital conservation buffer	2.2500	1.8750
66	countercyclical buffer		
67	bank systemic importance buffer	not applicable	not applicable
68	Core capital available for being allocated to maintain the buffers for base capital adequacy ratios	18.74	14.84
Base capital adequacy ratios, percentage			
69	Core capital adequacy ratio		
70	Fixed capital adequacy ratio		
71	Base capital adequacy ratio		
Items that do not exceed the established materiality thresholds and are not assumed in the reduction of capital sources			
72	Non-essential investments in capital instruments and other instruments that provide overall capacity to absorb losses of financial institutions		
73	Substantial investments into the core capital instruments of financial institutions		
74	Mortgage service rights	not applicable	not applicable
75	Deferred tax assets non-depending on income receivable		
Limitations on including loss provisions in calculating the paid-in capital in excess of par			
76	Provisions for possible losses, to be included into the calculations of paid-in capital in excess of par, regarding the positions, to which a standardized approach is applied to calculate the credit risk on them	not applicable	not applicable
77	Restrictions on including the amounts of provisions for possible losses into the calculations of paid-in capital in excess of par, when using the standardized approach	not applicable	not applicable
78	Provisions for possible losses, to be included into the calculations of paid-in capital in excess of par, regarding the positions, to which an approach based on internal models is applied to calculate the credit risk on them	not applicable	not applicable
79	Restrictions on including the amounts of provisions for possible losses into the calculations of paid-in capital in excess of par, when using the approach based on internal models	not applicable	not applicable
Instruments to be on a step-by-step basis excluded from calculating the base capital (applicable from January 1, 2018 to January 1, 2022)			
80	Current restriction on including into the core capital sources the instruments to be on a step-by-step basis excluded from calculating the base capital		
81	Share of the instruments, that is not included into the core capital sources due to restrictions		
82	Current restriction on including into the capital surplus sources the instruments to be on a step-by-step basis excluded from calculating the base capital		
83	Share of the instruments, that is not included into the capital surplus sources due to restrictions		
84	Current restriction on including into the sources of paid-in capital in excess of par the instruments to be on a step-by-step basis excluded from calculating the base capital		
85	Share of the instruments, that is not included into the sources of paid-in capital in excess of par due to restrictions		

Manager

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1.1 Section I. Structure Information  
www.energobank.ru



## Section 4. Key Features of Capital Instruments

Line number	Instrument Feature	Instrument Feature Description	Instrument Feature Description	Instrument Feature Description	Instrument Feature Description
1	2	3	4	5	6
1	Abbreviated Brand Name of the Capital Instrument Issuer	JSCB "Energobank" (JSC)	AO "Edelveis Grupp"	AO "Edelveis Grupp"	AO "Edelveis Corporation"
2	Instrument Identification Number	10200067B	not applicable	not applicable	not applicable
3	Law applicable to capital instruments	643	643	643	643
3a	to other instruments of the overall capacity to absorb losses	Russia	Russia	Russia	Russia
	Regulatory environment				
4	Capital level, into which the instrument is included during transition period (Basel III)	not applicable	not applicable	not applicable	not applicable
5	Capital level, into which the instrument is included upon completion of transition period (Basel III)	core capital	additional capital	additional capital	additional capital
6	Consolidation level, at which the instrument is included into the capital	not applicable	not applicable	not applicable	not applicable
7	Instrument Type	ordinary shares	subordinated credit/ deposit/loan	subordinated credit/ deposit/loan	subordinated credit/ deposit/loan
8	Instrument value included into calculating the capital	2137400	320000	180000	250000
9	Nominal Instrument Value	2137400 (643)	320000 (1643)	180000 (643)	260000 (643)
		equity	liability accounted at its depreciated value	liability accounted at its depreciated value	liability accounted at its depreciated value
10	Instrument Classification for Accounting Purposes				
11	Instrument Issuing/Raising/Placing Date	Jan. 31, 2001; May 13, 2002; Apr. 15, 2003, Dec. 6, 2004; Oct. 9, 2006	Jul. 27, 2010	Dec. 17, 2010	June 25, 2018
12	Instrument Time, if any	indefinite	fixed	fixed	fixed
13	Instrument Repayment Date	without limitations on duration	Dec. 17, 2025	Dec. 17, 2025	June 25, 2018
14	Existence of the right of the early redemption of / repayment for the instrument, approved by the Bank of Russia	not applicable	not applicable	not applicable	not applicable
15	Initial date(s) of possible executing the right to the early redemption of / repayment for the instrument, conditions for executing such a right, and the redemption/repayment amount	not applicable	not applicable	not applicable	not applicable
16	Subsequent date(s) of executing the right to the early redemption of / repayment for the instrument	not applicable	not applicable	not applicable	not applicable
	Interests/dividends/coupon profits				
17	Instrument Rate Type	not applicable	fixed rate	fixed rate	fixed rate
18	Rate	not applicable	6.8	6.8	8
19	Conditions for ceasing to pay dividends on ordinary shares	not applicable	not applicable	not applicable	not applicable
20	Mandatory payment of dividends	in full, at the discretion of the lending agency (parent lending agency and/or the participant of the banking group)	not applicable	not applicable	not applicable
21	Conditions providing for increasing the payments for the instrument or any other incentives for the early redemption of / repayment for the instrument	None	None	None	None
22	Nature of payments	non-cumulative	non-cumulative	non-cumulative	non-cumulative
23	Instrument convertibility	non-convertible	convertible	convertible	convertible
24	Conditions, under which the instrument is converted	not applicable	R1.1 falling below 2% or approving by the Bank of Russia the plan of the Bank of Russia's or State Corporation Deposit Insurance Agency's participation in implementing bankruptcy prevention measures in accordance with Art. 189.49 of 127-FZ	R1.1 falling below 2% or approving by the Bank of Russia the plan of the Bank of Russia's or State Corporation Deposit Insurance Agency's participation in implementing bankruptcy prevention measures in accordance with Art. 189.49 of 127-FZ	R1.1 falling below 2% or approving by the Bank of Russia the plan of the Bank of Russia's or State Corporation Deposit Insurance Agency's participation in implementing bankruptcy prevention measures in accordance with Art. 189.49 of 127-FZ
25	Full or partial conversion	not applicable	in full or in part	in full or in part	in full or in part
26	Conversion rate	not applicable	not applicable	not applicable	not applicable
27	Mandatory conversion	not applicable	obligatory	obligatory	obligatory
28	Capital level, into the instrument of which the given instrument is converted	not applicable	core capital	core capital	core capital
29	Abbreviated brand name of the issuer of the instrument, into which the given instrument is converted	not applicable	JSCB "Energobank" (JSC)	JSCB "Energobank" (JSC)	JSCB "Energobank" (JSC)
30	Possibility to charge the instrument to covering losses	not applicable	None	None	None
31	Conditions, under which the instrument is charged	In accordance with Federal Law 86-FZ On the CB RF; In case of the capital (C) amount falling below that of the authorized capital (AC), the Bank of Russia is obliged to send to the Lending Agency (LA) a request for bringing the C amount into compliance with the AC amount. The LA must fulfill the Bank of Russia's request according to the procedures, terms and conditions set forth in par. 4.1 of 127-FZ	not applicable	not applicable	not applicable
32	Full or partial charging	always partially	not applicable	not applicable	not applicable
33	Permanent or temporary charging	permanently	not applicable	not applicable	not applicable
34	Recovery mechanism	not applicable	not applicable	not applicable	not applicable
34a	Subordination type	not applicable	Second Type Subordinated Loan	Second Type Subordinated Loan	Second Type Subordinated Loan
35	Subordination of the instrument	not applicable	not applicable	not applicable	not applicable
36	Compliance with the requirements of the Bank of Russia Regulation No. 646-P and the Bank of Russia Regulation No. 509-P	yes	yes	yes	yes
37	Описание несоответствий	not applicable	not applicable	not applicable	not applicable

Full information on the capital instruments issuance/attraction terms, as well as the relevant data of Section 4 here of, is provided in the section of Regulatory Information Disclosure at the website [www.energobank.ru](http://www.energobank.ru)

Manager



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Deputy Head of the Department of Consolidated Statements & IFRS

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Phone:  
23-03-2020

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Round seal: "Joint-Stock Commercial Bank "Energobank" (Joint-Stock company), OGRN 102160000289"

## STATEMENT OF CHANGES IN EQUITY OF THE LENDING INSTITUTION

(published form) as of January 1, 2020

Territory code by OKATO (Russian Classification on Objects of Administrative Division) 92 Code of the lending agency (branch) by OKPO (General Classifier of Enterprises and Organizations) 09265941 registration number (No.) 67

Lending agency

Joint-Stock Commercial Bank "Energobank" (Joint Stock Company), JSCB "Energobank" (JSC) (full and abbreviated legal name)

Address (location) of the lending agency

13/52 PUSHKINA STR., KAZAN

OKUD (General Russian Classification of Management Documentation) form code 0409810 Quarterly (Annual) RUB ths.

Line number	Item	Note number	Authorized Capital	Repurchased stock/shares	Share premium	Revaluation at fair value of securities available for sale and reduced by deferred tax liability (increased by deferred tax asset)	Revaluation of fixed assets and intangible assets, reduced by deferred tax liability	Increasing/decreasing of liabilities/claims regarding paying/deceiving of liabilities/claims by employees at their withdrawal, upon revaluation	Revaluation of hedge instruments	Contingency fund	Grant financing monetary assets (contributions to property)	Changes in the fair value of the financial asset, determined by the changes in credit risk	Valuation provisions for expected credit losses	Retained profit (loss)	Total capital sources
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
1	Figures as of the beginning of the preceding reporting year		2137400			477		38954		1157863				330309	3665003
2	Impact of changes in the accounting policies														
3	Impact of error corrections														
4	Figures as of the beginning of the preceding reporting year (adjusted)		2137400			477		38954		1157863				330309	3665003
5	Total income for the preceding reporting period:														
5.1	profit (loss)					-3999		-78						661942	657865
5.2	other comprehensive income					-3999		-78						661942	661942
6	Issue of shares:														-4077
6.1	par value														
6.2	share premium														
7	Repurchased stock/shares:														
7.1	acquisitions														
7.2	disposals														
8	Change in values of fixed and intangible assets														
9	Stated dividends and other payments to the shareholders:														
9.1	on ordinary shares														
9.2	on preference shares														
10	Other contributions of and payments to the shareholders														
11	Other activities														
12	Figures for the relevant reporting period of the preceding year		2137400	0		-3522		38876		1157863				992251	4322868
13	Figures as of the beginning of the reporting year		2137400	0		-3522		38876		1157863				992251	4322868
14	Impact of changes in the accounting policies					4424								51732	56156
15	Impact of error corrections														
16	Figures as of the beginning of the reporting year (adjusted)		2137400			902		38876		1157863				1043983	4379024
17	Total income for the reporting period:														
17.1	profit (loss)					-902		-130						772952	771920
17.2	other comprehensive income					-902		-130						772952	772952
18	Issue of shares:														-1032
18.1	par value														
18.2	share premium														
19	Repurchased stock/shares:			-1593											-1593
19.1	acquisitions			-1593											-1593
19.2	disposals														
20	Change in values of fixed and intangible assets														
21	Stated dividends and other payments to the shareholders:														
21.1	on ordinary shares														
21.2	on preference shares														
22	Other contributions of and payments to the shareholders														
23	Other activities					0								17	17
24	Figures for the reporting period	5	2137400	-1593		0		38746		1157863				1816952	5149368

Manager



*I.P. Konnova*  
*F.I. Yagofarova*  
*A.E. Zolina*

I.P. Konnova

Chief Accountant

F.I. Yagofarova

Deputy Head of the Department of Consolidated Statements &amp; IFRS

A.E. Zolina

Phone:  
23-03-2020

(843) 2316092

Round seal: "Joint-Stock Commercial Bank "Energobank" (Joint-Stock company), OGRN 102160000289"

**STATEMENT OF STATUTORY RATIOS, OF THE FINANCIAL LEVERAGE RATIO, AND OF THE LIQUIDITY COVERAGE RATIO**

(published form) as of January 1, 2020

Lending agency

Territory code by OKATO  
(Russian Classification on Objects  
of Administrative Division)  
92Code of the lending agency (branch)  
by OKPO (General Classifier  
of Enterprises and Organizations)  
09265941registration number  
(/No.)  
67Joint-Stock Commercial Bank "Energobank" (Joint Stock Company), JSCB "Energobank" (JSC)  
(full and abbreviated legal name)

Address (location) of the lending agency

13/52 PUSHKINA STR., KAZAN

OKUD (General Russian Classification of Management Documentation)  
form code 0409806 Quarterly (Annual)

Section 1. Information on the basic performance indicators of the lending agency / banking group

Номер строки	Ratio	Note number	Actual Value					
			as of reporting date	as of the date a quarter prior to the reporting date	as of the date a quarter prior to the reporting date	as of the date a quarter prior to the reporting date	as of the date a quarter prior to the reporting date	
1	2	3	4	5	6	7	8	
<b>CAPITAL, RUB ths</b>								
1	Core capital		4157199	4166055	4170967	4173783	3526644	
1a	Core capital at completely applying the model of expected credit losses without considering transitional measures		4215447	4224303	4229215	4647694		
2	Common equity		4157199	4170967	4170967	4173783	3526644	
2a	Common equity at completely applying the model of expected credit losses		4215447	4224303	4229215	4647694		
3	Base capital		5478238	5190023	5158367	5142231	5185401	
3a	Base capital at completely applying the model of expected credit losses		5718760	5666483	5488444	5616142		
<b>ASSETS WEIGHTED ACCORDING TO THE RISK LEVEL (RUB ths) THAT ARE:</b>								
4	Assets weighed by their risk levels		1680407	17814899	17795867	16661903	16951760	
<b>CAPITAL ADEQUACY RATIOS, percentage</b>								
5	Core capital adequacy ratio R1.1 (R20.1)		24.739	25.385	23.499	25.120	20.835	
5a	Core capital adequacy ratio at completely applying the model of expected credit losses		24.975	23.711	23.642	23.210		
6	Fixed capital adequacy ratio R1.2 (R20.2)		24.739	23.385	23.499	25.120	20.835	
6a	Fixed capital adequacy ratio at completely applying the model of expected credit risks provided by the bank to its shareholders (R9.1)		24.975	23.711	23.642	23.210		
7	Base capital adequacy ratio R1.0 (R1ccp, R1.3, R20.0)		32.511	29.057	28.986	30.862	30.551	
7a	Base capital adequacy ratio at completely applying the model of expected credit losses		33.788	31.723	30.601	30.830		
<b>CORE CAPITAL BUFFERS (as a percentage of the sum of risk-weighted assets), percentage</b>								
8	Buffer for maintaining the capital adequacy, calendar days to the amount of NSCA liabilities (R15)		2.250	2.125	2.0	1.875	1.875	
9	Countercyclical buffer							
10	Bank systemic importance buffer							
11	Buffers for base capital adequacy ratios, total (line 8 + line 9 + line 10)		2.250	2.125	2.0	1.875	1.875	
12	Core capital available for being allocated to maintain the buffers for base capital adequacy ratios		18.739	17.390	17.50	19.12	14.84	
<b>FINANCIAL LEVERAGE RATIO</b>								
13	At-risk on-balance sheet assets and off-balance sheet liabilities to calculate financial leverage ratio, RUB ths.		16748246	16835537	16688968	17021177	14377527	
14	Financial leverage ratio of a bank (R1.4) or a banking group (R20.4), percentage		24.822	24.746	24.992	22.33	20.724	
14a	Financial leverage ratio at completely applying the model of expected credit risks		25.544	24.322	24.784	21.7		
<b>LIQUIDITY COVERAGE RATIO</b>								
15	Highly liquid assets							
16	Expected net cash outflow, RUB ths.							
17	Liquidity coverage ratio R26 (R27), percentage							
<b>STRUCTURAL LIQUIDITY RATIO (NET STABLE FUNDING RATIO)</b>								
18	Stable funding available (SFA), RUB ths.							
19	Stable funding required (SFR), RUB ths.							
20	Structural liquidity ratio (net stable funding ratio) R28 (R29), percentage							
<b>RATIOS LIMITING INDIVIDUAL RISKS, percentage</b>								
21	Quick ratio R2		102.873	76.911	92.885	98.195	102.177	
22	Current liquidity ratio R3		107.332	104.523	101.265	120.675	110.097	
23	Long-term liquidity ratio R4		96.275	92.931	99.611	86.923	85.435	
24	Ratio of maximum credit risk per borrower or per a group of associated borrowers R6 (R21)	maximum value number of deficiencies duration	10.4	maximum value number of deficiencies duration	11.3	maximum value number of deficiencies duration	11.8	maximum value number of deficiencies duration
25	Ratio of maximum large credit risks R7 (R22)							
26	Aggregate risk ratio of insiders R10.1							
27	Ratio of usage of base capital to acquire shares in other legal entities R12 (R23)							
28	Maximum risk ratio per a person associated to the bank (a group of persons associated to the bank) R25	maximum value number of deficiencies duration	2.75	maximum value number of deficiencies duration	3.73	maximum value number of deficiencies duration	2.78	maximum value number of deficiencies duration
29	Resource adequacy ratio of the central counterparty (CCP) R2ccp							
30	Individual clearing security adequacy ratio of the central counterparty R3ccp							
31	Liquidity ratio of the central counterparty R4ccp							
32	Maximum risk concentration ratio R5ccp							
33	Liquidity ratio of a non-banking lending agency entitled to perform money transfers without opening bank accounts and other banking operations related thereto R15.1							
34	Ratio of the maximum aggregate amount of loans to customers participating in settlements for completing the settlements R16							
35	Ratio of granting by NSCA on its behalf and at their expense loans to borrowers, except customers participating in settlements R16.1							
36	Ratio of the maximum amount of bill liabilities of Non-Bank Settlement and Credit Authorities R16.2							
37	Minimum ratio of the amount of mortgage coverage to the amount of bonds issued under mortgage coverage R18							

# Annual Report for the Year 2019

## Section 2. Financial leverage calculation information (R1.4)

### Subsection 2.1. Calculation of balance sheet assets and off-balance sheet liabilities at risk for calculating financial leverage calculation (R1.4)

Line number	Ratio	Note number	Amount in RUB ths
1	2	3	4
1	Amount of assets in accordance with the balance sheet (published form), total:		17248160
2	Adjustment regarding the investments in the capital of lending, financial, insurance, or other organizations, the reporting figures of which are included in the consolidated financial statements, but not in the calculation of the value of own funds (capital), mandatory ratios, or of Net FX positions amounts (limits) of the banking group		not applicable in reports and statements of a lending agency as a legal entity
3	Adjustment regarding the fiduciary assets reported under accounting rules but not included in the calculation of the financial leverage ratio		
4	Adjustment regarding derivatives		
5	Adjustment regarding securities lending operations		
6	Adjustment of credit-related contingency to the credit equivalent		106969
7	Other adjustments		310636
8	At-risk on-balance sheet assets and off-balance sheet liabilities, considering adjustments to calculate the financial leverage ratio, total:		17044493

### Subsection 2.2. Calculation of the financial leverage ratio (R1.4)

Line number	Ratio	Note number	Amount in RUB ths
1	2	3	4
	Balance-sheet risk		
1	Balance sheet assets, total:		16365093
2	Reducing adjustment for the sum of indicators taken to decrease the value of the fixed assets sources		123815
3	At-risk on-balance sheet assets considering the adjustments (difference of lines 1 and 2), total:		16241278
	Risk on transactions with derivatives		
4	Current credit risk on transactions with derivatives (less the variance margin obtained and/or considering netting of positions, if applicable), total		
5	Potential credit risk per counterparty on transactions with derivatives, total		
6	Adjustment for the nominal amount of security provided on transactions with derivatives, to be removed from the balance sheet in accordance with accounting rules		not applicable
7	Reducing adjustment for the amount of the variable margin transferred, as stipulated		
8	Adjustment regarding the requirements of the bank participating in clearing for the central counterparty, regarding performing the customer transactions		
9	Credit risk adjustment regarding the underlying asset for the credit derivatives issued		
10	Reducing adjustment regarding the credit derivatives issued		
11	Risk on derivatives, considering the adjustments, total (sum of lines 4, 5, and 9, minus lines 7, 8, and 10),		
	Risk on securities lending operations		
12	Requirements for securities lending transactions (excluding netting), total:		399999
13	Adjustment for the netting value of the cash portion (claims and liabilities) for securities lending transactions		
14	Credit risk per counterparty for securities lending transactions		
15	Risk on securities lending guarantee transactions		
16	Requirements for securities lending transactions, considering the adjustments (sum of lines 12, 14, and 15, minus line 13), total:		399999
	Risk on credit-related contingency (CRC risk)		
17	Nominal risk values on credit-related contingency (CRC risk), total:		106969
18	Adjustment regarding using the credit equivalent factors		
19	Risk on credit-related contingency (CRC risk), considering the adjustments (difference of lines 17 and 18)		106969
	Capital and risks		
20	Common equity		4157199
21	At-risk on-balance sheet assets and off-balance sheet liabilities to calculate financial leverage ratio, total (sum of lines 3, 11, 16, and 19)		16748246
	Financial leverage ratio		
22	Financial leverage ratio of a bank (R1.4) or a banking group (R20.4), percentage (line 20 : line 21)		24,82

Manager

Chief Accountant

Deputy Head of the Department of Consolidated Statements & IFRS

Phone:  
23-03-2020

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*[Handwritten signatures]*

I.P. Konnova

F.I. Yagofarova

A.E. Zolina

Round seal: "Joint-Stock Commercial Bank "Energobank" (Joint-Stock company), OGRN 102160000289"

**CASH FLOW STATEMENT**

(published form) as of January 1, 2020

Territory code by OKATO  
(Russian Classification on Objects  
of Administrative Division)  
92Code of the lending agency (branch)  
by OKPO (General Classifier  
of Enterprises and Organizations)  
09265941 registration number  
(/No.)  
67

Lending agency

Joint-Stock Commercial Bank "Energobank" (Joint Stock Company), JSCB "Energobank" (JSC)  
(full and abbreviated legal name)

Address (location) of the lending agency

13/52 PUSHKINA STR., KAZAN

OKUD (General Russian Classification of Management Documentation)  
form code 0409806 Quarterly (Annual)

Line number	Item	Note number	Cash flows for the reporting period, in RUB ths	Cash flows for the relevant reporting period of the year preceding the reporting year, in RUB ths.
1	2	3	4	5
1	Net cash received from / used in operating activities			
1.1	Cash received from / used in operating activities prior to changes in operating assets and liabilities, in total, including:		702345	923123
1.1.1	interest received		1842355	2023490
1.1.2	interest paid		-658996	-762785
1.1.3	fees received		202078	206666
1.1.4	fees paid		-41869	-40181
1.1.5	gains less expenses on transactions with financial assets measured at fair value through profit or loss, through other comprehensive income		40159	-621
1.1.6	gains less expenses on transactions with securities measured at amortized cost		0	0
1.1.7	gains less expenses on foreign exchange transactions		-81005	119902
1.1.8	other operating earnings		171786	75701
1.1.9	operating expenses		-568555	-573565
1.1.10	tax expenses/indemnities		-203608	-125484
1.2	Net cash gain/decrease on operating assets and liabilities, in total, including:		-756324	-2030699
1.2.1	net gain/decrease on the mandatory cash balances with the Bank of Russia		6145	-1249
1.2.2	net gain/decrease on financial assets measured at fair value through profit or loss		-493092	-2910096
1.2.3	net gain/decrease on outstanding loans		217995	930419
1.2.4	net gain/decrease on other assets		7214	50460
1.2.5	net gain/decrease on the credits, deposits, and other funds of the Bank of Russia		-136050	12195
1.2.6	net gain/decrease on the funds of other lending agencies		-267	0
1.2.7	net gain/decrease on the funds from customers other than lending agencies		-304196	117894
1.2.8	net gain/decrease on financial liabilities measured at fair value through profit or loss		0	0
1.2.9	net gain/decrease on debentures issued		0	-310901
1.2.10	net gain/decrease on other liabilities		-54073	80579
1.3	<b>Total section q (sum of lines 1 and 1.2)</b>		<b>-53979</b>	<b>-1107576</b>
2	Net cash received from / used in investing activities			
2.1	Acquisition of financial assets carried at fair value through other comprehensive income		0	-998638
2.2	Gains from selling and redeeming the financial assets carried at fair value through other comprehensive income		0	1655797
2.3	Acquisition of securities carried at amortized cost		0	0
2.4	Gains from redeeming the securities carried at amortized cost		0	0
2.5	Acquiring premises, equipment and tangible/intangible assets		-58893	-65439
2.6	Proceeds from the sales of premises, equipment and tangible/intangible assets		79	65
2.7	Dividends received		191	0
2.8	<b>Total (sum of lines 2.1 through 2.7)</b>		<b>-58623</b>	<b>591785</b>
3	Net cash received from / used in financial activities			
3.1	Shareholders' contributions to the authorized capital		0	0
3.2	Acquiring own treasury shares		-1593	0
3.3	Selling own treasury shares		0	0
3.4	Dividends distributed		0	0
3.5	<b>Total section 3 (sum of lines from 3.1 through 3.4)</b>		<b>-1593</b>	<b>0</b>
4	Effect provided by fluctuations in the official exchange rates of foreign currencies against the Russian ruble, as established by the Bank of Russia, on cash and cash equivalents		-68758	60989
5	Gain in / use of cash and cash equivalents		-182953	-454802
5.1	Cash and cash equivalents as at the beginning of the reporting year		1051744	1506546
5.2	Cash and cash equivalents as at the end of the reporting period		868791	1051744

Manager



I.P. Konnova

Chief Accountant

F.I. Yagofarova

Deputy Head of the Department of Consolidated Statements &amp; IFRS

A.E. Zolina

Phone:  
23-03-2020

(843) 2316092

Round seal: "Joint-Stock Commercial Bank "Energobank" (Joint-Stock company), OGRN 1021600000289"

## REFERENCE INFORMATION

### Branches and Operational Offices of JSCB "Energobank" (JSC) as of 1/1/2020

#### Customer Service Department in S. Sadykovoy str.

Location:

32 S. Sadykovoy str., 420021, Kazan, Russia

Head of the office: *Elena Vyacheslavovna Gorshkova*

#### Branch No. 2

Location:

1 Maksimova str., 420127, Kazan, Russia

Registration date: November 16, 2000

Head of the office: *Marsel Muzipovich Fattakhov*

#### Branch No. 3

Location:

17 Amirkhana str., 420103, Kazan, Russia

Registration date: November 27, 2001

Head of the office: *Yulia Sergeevna Spiryagina*

#### Branch No. 4

Location:

19 Mira str., 423450, Almetyevsk, Russia

Registration date: September 8, 2003

Head of the office:

*Irina Nikolayevna Rodionova*

#### Branch No. 5

Location:

14A Kirpichnikova str., 420029, Kazan, Russia

Registration date: July 23, 2004

Head of the office: *Ildar Sabirovich Daminov*

#### Branch No. 6

Location:

13 Frunze str., 420033, Kazan, Russia

Registration date: December 16, 2004

Head of the office: *Gulnara Ildarovna Aliyeva*

#### Branch No. 7

Location:

73 Korolenko str., 420044, Kazan, Russia

Registration date: February 7, 2005

Head of the branch: *Yekaterina Gusmanovna Karimova*

#### Branch No. 8

Location:

38 Gvardeyskaya str., 420073, Kazan, Russia

Registration date: May 11, 2005

Head of the branch: *Artur Maratovich Nizamutdinov*

#### Branch No. 9

Location:

72 Yu. Fuchika str., 420141, Kazan, Russia

Registration date: May 27, 2005

Head of the branch: *Guzel Shavkatovna Musina*

#### Branch No. 10

Location:

5 Tikhoretskaya, 420054, Kazan, Russia

Registration date: December 13, 2005

Head of the branch – Head of the Customer Settlement Services Department

*Aliya Ildarovna Ugarova*

#### Branch No. 11

Location:

83 Sovetskaya str., 423230, Bugulma, Russia

Registration date: April 20, 2006

Head of the office *Yulia Rafisovna Gilemkanova*

#### Branch No. 12

Location:

102 Dekabristov str., 420080, Kazan, Russia

Registration date: July 7, 2006

Head of the branch – Head of the Customer Settlement Services Department

*Gulnara Rashidovna Mukhametdinova*

#### Branch No. 13

Location:

37 Mira str., 420071, Kazan, Russia

Registration date: August 9, 2006

Head of the branch – Head of the Customer Settlement Services Department

*Larisa Eduardovna Shestakova*

#### Branch No. 14

Location:

1 Peterburgskaya str., 420107, Kazan, Russia

Registration date: December 8, 2006

Head of the branch: *Natalya Vladimirovna Manonina*

#### Branch No. 15

Location:

33 Adoratskogo str., 420132, Kazan, Russia

Registration date: February 7, 2007

Head of the branch:

*Guzeliya Sayfelmalekovna Gabidullina*





**Branch No. 16**

Location:  
13/52 Pushkina str., 420111, Kazan, Russia (No. 16)  
Registration date: April 25, 2007  
Head of the branch: *Olesya Rashitovna Gazetdinova*

**Branch No. 17**

Location:  
2A Tukaya str., 423570, Nizhnekamsk, Russia  
Registration date: July 5, 2007  
Head of the branch: *Roza Vasimovna Khusnutdinova*

**Branch No. 18**

Location:  
25A Mira str., 423800, Naberzhniye Chelny, Russia  
Registration date: July 26, 2007  
Head of the branch: *Artem Mauzirovich Nafikov*

**Branch No. 20**

Location:  
16 Tatarstana str., 422550, Zelenodolsk, Russia  
Registration date: January 15, 2013  
Head of the branch: *Yelena Lvovna Mullova*

**Branch No. 21**

Location:  
74a Sh. Usmanova str., 423823, Naberzhniye Chelny,  
Russia  
Registration date: October 9, 2013  
Head of the branch: *Aygul Ramzisovna Khasanshina*

**Branch No. 22**

Location:  
14 Molodezhnaya str., 423600, Yelabuga, Russia  
Registration date: December 16, 2014  
Head of the branch: *Ayrat Anvarovich Safargalin*

**Branch No. 23**

Location: 97 Sorge str., 420139, Kazan, Russia  
Registration date: September 28, 2018  
Head of the branch: *Elvina Ayratovna Kamalova*

**Operational Office No. 3**

Location:  
11 Lenina Ave., 428000, Cheboksary, Russia  
Registration date: July 28, 2008  
Head of the operational office  
*Vladimir Anatolyevich Kuzmin*

**Operational Office No. 4**

Location:  
28 Ulyanovsky Ave., 432072, Ulyanovsk, Russia  
Registration date: July 14, 2014  
Head of the operational office  
*Natalya Vladimirovna Barunova*



