

# *Flying High*



**ЭНЕРГОБАНК**

ANNUAL  
REPORT  
2016

## Address of the Chairman of the Bank



**Dear stockholders, partners and customers of our Bank,**

In summing up the twenty-seventh year of the Energobank's activities, I am pleased to note that the Bank has successfully implemented all the tasks we have set for us in the preceding year.

The bank you know today is a modern lending institution and a reliable and responsible partner for business people, with a strong reputation in the financial community. This is guaranteed by the stable resource base developed on our own capital, by the modern banking technology, by our extensive communications within the business community, by the high professional level of our employees, and by our principled approach and commitment to applying bank instruments.

Year 2016 has once again confirmed the validity of the strategy chosen by the Bank – gaining the ground as a financial institution in the Republic of Tatarstan and throughout Russia, focusing on the Bank's conservative lending policy and a balanced approach to developing our interest-based policies aimed at raising and allocating funds, which allows us to support our stable and growing customer base.

In 2016, which year was difficult because of the continuing economic crisis, the Bank was committed to working steadily and profitably, to develop – consistently, without any dramatic changes or sharp moments – all areas of its business, and to support the businesses of its clients. Progressive development within classical banking – that was the Bank's credo in 2016. The Bank has successfully completed its task: In all key areas, we

have recorded an increase in indicators and a stronger presence in the rankings of the banking system:

- At year-end 2016, the Bank has obtained the P&L impact in the amount of RUB 408 million; the Bank ranked 99th among 603 financial organizations in Russia (according to Expert RA), the growth rate having made 17.7% by year 2015;

- The Bank increased its assets over the year by 3.21%, according to the Expert RA ranking, and ranked 168th among Russian banks, having risen by 26 points within the year;

The Bank has continued to actively credit the real businesses of the Republic, also participating in financing large investment projects. Amid the current crisis, where many companies have reduced their credit needs with a focus on reducing their costs, increasing their business efficiency, and developing their risk management, and where the borrowing requirements have fairly lowered, the Bank has not only retained its loan portfolio, but also increased it. Thus, as of January 1, 2017, the total Bank's loan portfolio made RUB 18,032.81 million (without reserves deduction), having increased by 3,56 % since the beginning of the year. At the same time, the principal of the loan portfolio continues to be credits issued to corporate customers, which have also increased from RUB 15,480 million up to RUB 15,791.1 million. The Bank moves beyond, increasing its abilities to support its customers' businesses. Thus, in November, 2016, Energobank was accredited by the Federal Corporation on Developing Small and Medium Enterprises under the «Program of Promoting the Financing of Small and Medium Enterprises» (Program 6,5), which will allow us to grant credits to our customers at the low, fixed interest rates.

In the reporting year, the Bank has also steadily worked in retail lending, having ensured since the beginning of the year the increase in its retail loan portfolio of up to RUB 2,129.5 million as of January 1, 2017. The Bank ranks 124th among Russian banks for the amount of credits granted to individuals within the reporting year, according to EXPERT RA, as of January 1, 2017. At the same time, credits are mainly granted to individuals against negotiable collateral, such as car loans or mortgage loans. The Bank has significantly increased in mortgage lending, having practically doubled the loan growth.

A high level of confidence is strongly demonstrated by the increase in the amount of individuals' money raised during the reporting year. As they did last year, our depositors stay with us, having significantly increased their savings, the amount of which has grown by 7.35% and made RUB 6,208.6 million since the beginning of the year.

Customer focus is one of the major components of Energobank's business. The Bank has reconstructed the network of its branches, equipped them with queuing systems, and expanded the customer areas to create the most comfortable customer service conditions, taking into account their wishes and proposals.

In 2016, the Bank made a determined effort to establish an information security management center on the basis of an adaptable information security system and modern protection tools, having integrated information security processes into its operating activities.

In conclusion, I would like, on behalf of the Bank management, to thank our employees for their excellent efforts, their helpfulness, their eternal professionalism, and their adherence to

professional values. All this taken together allowed us to complete year 2016 successfully, following the strategy of sustainable development for the benefit of the society, our shareholders, and customers.

Chairman of JSCB  
«Energobank» (PJSC)  
D.I. Vagizov

## Information about the Bank

### Full business name:

Joint-Stock Commercial Bank "Energbank" (Public Joint-Stock Company)

### Abbreviated name:

JSCB «Energbank» (PJSC)

### The Bank was founded:

On March 2, 1989, CB RF license No. 67

### Location:

The Bank's registered office is located at: 13/52 Pushkina str., 420111 Kazan, Republic of Tatarstan, Russia.

The Bank does not have any banking facilities or subsidiaries.

As of January 1, 2017, along with its central office, the Bank was having 13 branches in Kazan, one branch in each of the towns of Almetyevsk, Bugulma, Nizhnekamsk, Zelenodolsk, Yelabuga, two branches in Naberezhnye Chelny, and two operational offices in the Volga Federal District – in the towns of Cheboksary and Ulyanovsk. The Bank has no banking facilities.

### Certificate of the Bank's state registration:

No. 102160000289 dated August 13, 2002, registration number of the Bank of Russia is No. 67 dated May 21, 1999

Website: [www.energbank.ru](http://www.energbank.ru)

### Information about authorized capital:

The Bank's authorized capital is 2,137,400,000.00 Russian Rubles (RUB). It is divided into 21,374,000 registered ordinary shares, the par value of one share is RUB 100.00.

### 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 performing activities using National Security Information;  
 License for providing information encryption services;  
 License for distribution of cryptographic facilities;  
 License for cryptographic facilities maintenance.

### The Bank's membership in international payment systems, associations, and exchanges:

- Currency Section of Moscow Interbank Currency Exchange (MICEX);
- Association of Russian Banks (ARB);
- Bank Association of Tatarstan (BAT);
- Society for Worldwide Interbank Financial Telecommunications (SWIFT);
- Good standing member of MasterCard Int, VISA Int, and the Global Payment System.

### JSCB "Energbank" has been participating in the obligatory deposit insurance schemes since 2005.

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

### Auditor's Details:

*For the Russian and international financial reporting standards:*

*Closed Joint-Stock Company (Russian: ZAO) "Prof-Auditum"*

*Location: 8 Dostoyevskogo str., 420012, Kazan, Russia*

*State registration:*

- Legal Entity State Registration Certificate (Series 16 No. 002727003) certifying the entry in the Unified State Register of Companies regarding the incorporation of the company under the primary state registration number 1031628221833, dated: December 18, 2003; registering authority: Inspectorate of the Ministry for Taxes and Charges of the Russian Federation for the Privolzhsky District of Kazan in the Republic of Tatarstan.

ZAO "Prof-Auditum" is the member of the self-regulatory organization of auditors – Noncommercial Partnership "Moskovskaya auditorskaya palata" (Moscow Chamber of Auditors):

- The primary registration number of the entry on recording the details of the self-regulatory organization of auditors – Noncommercial Partnership "Moskovskaya auditorskaya palata" in the Register of Auditors and Audit Organizations - 10403043761.

*Director's full name: Bulat Vadutovich Bakeyev.*

### The Bank's Registrar:

Limited Liability Company «Yevroaziatsky Registrator»

Location: 2 Stolbova str., 420021, Kazan, Republic of Tatarstan, Russia

Address: 56 Levo-Bulachnaya str., 420021, Kazan, Republic of Tatarstan, Russia

Tel./fax: +7 (843) 236-93-15

Principle State Registration Number: 1021603631224; INN (Taxpayer ID): 1660055801

License No. 10-000-1-00332 dated March 10, 2005;

Duration of license: without limitations on duration;

License issuing authority: Federal Securities Market Commission

Director's full name: Eduard Fanisovich Badretdinov.

*Tatarstan. Route M7*



**The Bank's Situation in Banking Area and in Ratings**

JSCB "Energobank" (PJSC) is one of the most reliable and stably developing banks. Among the Bank's clients, there are large and dynamically developing industrial enterprises, trade and construction companies, SMEs, as well as non-incorporated entrepreneurs. The Bank's basic working principles are our client focus and conformity with market trends. The Bank's activities are based on establishing long-term partner relationships with its customers, customization of services, development of banking service systems, rendering real assistance to its customers, including consulting them in order to help them perform their economic activities. The most important criterion of JSCB Energobank's (PJSC) success is its customers' trust. When working with its customers, the Bank puts itself the following primary tasks: Providing the highest comfort of the services offered, transparency of all activities, and high servicing quality.

In 2016, the RAEX (Expert RA) rating agency confirmed Energobank's credit rating as A (II) with a «stable» outlook. According to the rating performed by the Banki.ru website using the reports published on the CB RF website, the Bank rated 153th among Russian banks and 7th among the banks of Tatarstan, in terms of capital employed. The Bank is still rated among the Most Profitable Banks and takes place 93 in Russia and place 4 among regional banks. In the banks rating named "Loan Portfolio as of January 1, 2016", JSCB "Energobank" (PJSC) is in place 109 in Russia and in place 4 in Tatarstan.

The Bank's financial performance gives evidence of its stable position on the market and creates opportunities for efficient solving new, tremendous tasks.

**Details of the Stockholders Possessing More Than 1% of Voting Shares in JSCB "Energobank" (PJSC)**

**Closed Joint Stock Company «Edelveis Corporation»:**

- Participatory interest: 98.72% of the Company's voting shares;
- OGRN (Principle State Registration Number): 1101690070790, date of state registration: December 20, 2010;
- Address: 11 Pushkina str., 420111, Kazan, Russia.

Over year 2015, by the resolution of the Annual General Stockholders Meeting dated May 27, 2016, the net profit was distributed as follows:

- RUB 22,622 thousand were appropriated to the Bank's contingency fund;
- RUB 106,870 thousand were paid out as dividends;
- RUB 600 thousand were appropriated to pay the remunerations to the members of the Supervisory Board for year 2015;
- RUB 1,000 thousand were appropriated to pay to the members of the Supervisory Board for years 2016-2017 upon the stockholders meeting as of the end of the relevant reporting period; and
- RUB 224,471 thousand remained undistributed.

The Bank's Treasury accrued dividends for year 2015 in the amount of RUB 106,870,000 to 37 stockholders in the amount of RUB 5.0 per one share of the Bank, based on the total number of 21,374,000 shares. The total amount of dividends paid in 2016 has made: RUB 106,773,798 (less the taxes of RUB 93,187), the unpaid dividends amounted to RUB 2,630 (less the taxes of RUB 385) due to no bank details for transferring the money and because of the liquidation of some legal entities.

*Bolgar, the Muslim sacred place of Tatarstan*



**Supervisory Board**

Information on the composition of the Bank's Supervisory Board within the reporting year:

Supervisory Board Composition	
Chairman	Chairman
<b>Ishat Nazipovich Khairullin</b>	<b>Ishat Nazipovich Khairullin</b>
Members of the Supervisory Board:	Members of the Supervisory Board:
<b>Irina Petrovna Konnova</b>	<b>Irina Petrovna Konnova</b>
Nadezhda Yakovlevna Golubeva	Nadezhda Yakovlevna Golubeva
Oleg Radiyevich Kondrashov	Oleg Radiyevich Kondrashov
Venera Yuriyevna Petrushenko	Venera Yuriyevna Petrushenko
Петрушенко Венера Юрьевна	Петрушенко Венера Юрьевна

The members of the Supervisory Board were present at full strength at the meetings of the Supervisory Board during year 2016, including those members responsible for the particular activities of the Bank.

The resolution regarding the amounts and dates of paying remunerations to the members of the Supervisory Board for year 2016 will be adopted at the Annual Stockholders Meeting to be held in 2017.

Members of the Supervisory Board do not have any shares in the Bank's authorized capital or its ordinary shares, and they did not perform any buying or selling transactions with the Bank's shares during the reporting year.

**Details of the Members of the Bank's Supervisory Board (as of December 31, 2016)**

**1. Ishat Nazipovich Khairullin (born in 1965)**

Member of the Supervisory Board (Chairman of the Supervisory Board) of the JSCB «Energobank» (PJSC), responsible for strategy. **Election/re-election date:** Elected at the General Stockholders Meeting on March 26, 2004. Reelected at the General Stockholders Meeting on May 29, 2015.

**Details of professional education, further professional education, academic credentials, and academic titles:** Kazan Agricultural Institute (1987), Economics and Farming, Farming Economist. No further education or academic credentials, or titles.

**Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities:**

From October 25, 2010 to the present time, CEO of ZAO «Edelveis Corporation». Job responsibilities – managing the operational activities of the corporation, determining the strategy of the company's development. At present - the member of the Management Board of PJSC Hypermarket «Koltso», the member of the Board at ZAO «TK Edelveis». No possession of ordinary shares of the Bank.

**2. Irina Petrovna Konnova (born in 1964)**

Member of the Supervisory Board of JSCB «Energobank» (PJSC) **Election date:** elected by the General Stockholders Meeting on May 29, 2015. **Details of professional education, further professional education, academic credentials, and academic titles:** Kazan Institute of Economics and Finance, named after V.V. Kuibyshev (1986), Economist, Finance and Credit. No further education or academic credentials, or titles.

**Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities:**

From November 19, 2014 to the present time, the First Deputy Chairperson of JSCB «Energobank» (PJSC). Job responsibilities: managing the Bank's operational activities in all the Bank's focus areas within retail business, supervising the activities of the Bank's regional network; appointment ad interim (under the Charter) as the Chairperson of the Bank; solving other issues in accordance with the Bank's internal documents.

From April 25, 2006, to November 18, 2014. Deputy Chairperson of JSCB «Energobank» (PJSC) From March 5, 2004, to April 24, 2006. Head of the Business Development Department JSCB «Energobank» (PJSC) From December 10, 2001, to March 4, 2004. Head of the Department for New Banking Technology Implementation and Branch Relations of the JSCB «Energobank» (PJSC) From November 12, 2001, to December 9, 2001, the economist of the Credit and Financial Department of JSCB «Energobank» (PJSC). No possession of ordinary shares of the Bank.

### 3. Nadezhda Yakovlevna Golubeva (born in 1961)

Member of the Supervisory Board of JSCB «Energobank» (PJSC), responsible for remuneration; independent director.

**Election/re-election date:** elected by the General Stockholders Meeting on June 23, 2006. Re-elected by the General Stockholders Meeting on May 29, 2015.

#### **Details of professional education, further professional education, academic credentials, and academic titles:**

Moscow Order of Friendship of Peoples Cooperative Institute (1981), Business Economics, Planning Economist. No further education or academic credentials, or titles.

#### **Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities:**

From April 23, 2007, to present time - Chief Economist at OAO «Edelveis Group».

Job responsibilities: analyzing statistical and financial figures, developing plans aimed at improving the economic indicators of the company, as well as developing and implementing the Compensation and Benefit Policy.

Currently, she is the member of the Boards of OAO «SO «Talisman»» and PJSC «Hypermarket «Koltso»».

No possession of ordinary shares of the Bank

### 4. Oleg Radiyevich Kondrashev (born in 1959)

Member of the Supervisory Board of JSCB «Energobank» (PJSC), responsible for audit and risks; independent director.

**Election/re-election date:** elected by the General Stockholders Meeting on June 10, 2005. Re-elected by the General Stockholders Meeting on May 29, 2015.

#### **Details of professional education, further professional education, academic credentials, and academic titles:**

Kazan S.M. Kirov Chemical-Engineering Institute (1982), Machines and Mechanism in Chemical Industry, Mechanical Engineer. No further education or academic credentials, or titles.

#### **Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities:**

From April 16, 2007, to present time – Deputy Director General on Security at OAO «Edelveis Group». Job responsibilities: security management, developing and implementing access control technology.

Currently, he is the member of the Board at OAO «SO «Talisman»».

No possession of ordinary shares of the Bank.

### 5. Venera Yuriyevna Petrushenko (born in 1951)

Member of the Supervisory Board of JSCB «Energobank» (PJSC), responsible for corporate management and human resources planning; independent director.

**Election/re-election date:** elected by the General Stockholders Meeting on June 10, 2005. Re-elected by the General Stockholders Meeting on May 29, 2015.

#### **Details of professional education, further professional education, academic credentials, and academic titles:**

Kazan State Finance and Economics Institute (1973), Industry Planning, Economist. Advanced training in 1989. No further professional education or academic credentials. Title of the Honored Economist of the Republic of Tatarstan.

#### **Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities:**

According to labor law, no positions in any legal entities.

Currently, the member of the Board at OAO «GUM-3».

From April 16, 2007, to April 25, 2014. Director of Corporate Management Department at OAO «Edelveis Group».

From April 28, 2014, to April 1, 2015 - Consultant at OOO Finansovo-promyshlennaya kompaniya (Financial and Industrial Company) «Edvos».

No possession of ordinary shares of the Bank.

## Board of Directors

### **The sole executive authority of the Bank is:**

Dmitry Ilgizovich Vagizov, Chairman of JSCB «Energobank» (PJSC)

## Details of the Members of the Bank's Collective Executive Body – Its Board of Directors (as of December 31, 2016)

### 1. Dmitry Ilgizovich Vagizov (born in 1963)

Chairman of JSCB «Energobank» (PJSC). Elected at the extraordinary General Stockholders Meeting on January 11, 2006, with the appointment upon the agreement with the National Bank of the Republic of Tatarstan (starting on January 17, 2006); re-elected on June 27, 2014.

Member of the Board of JSCB «Energobank» (PJSC). Elected to the Board of Directors on August 25, 2008; re-elected on July 20, 2011.

#### **Details of professional education, further professional education, academic credentials, and academic titles**

Moscow Finance Institute (1985), Economist, Finance and Credit. No academic credentials. Title of the Honored Economist of the Republic of Tatarstan (Decree No. UP-337 of the President of the Republic of Tatarstan dated March 23, 2015). No further professional education.

#### **Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities**

From January 12, 2006, to present time, Chairman of JSCB «Energobank» (PJSC).

Job responsibilities: managing the Bank's operational activities and executing of powers under the Bank's Charter.

No possession of ordinary shares of the Bank.

### 2. Anna Vladimirovna Ivanova (born in 1973)

Member of the Board of JSCB «Energobank» (PJSC). Elected to the Board of Directors on August 25, 2008, approved on September 29, 2008, and re-elected on July 20, 2011.

Deputy Chairperson of JSCB «Energobank» (PJSC). Appointed on March 12, 2009. Approved on March 10, 2009.

#### **Details of professional education, further professional education, academic credentials, and academic titles**

Kazan Institute of Economics and Finance, named after V.V. Kuibyshev (1994), Economist, Accounting. Candidate of Sociological Sciences. No academic titles. No further professional education.

#### **Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities**

From March 12, 2009 to the present time, the Deputy Chairperson of JSCB «Energobank» (PJSC).

Job responsibilities: having overall charge of and supporting stable and efficient operations in subordinate subdivisions (Credit Department and Currency Department), solving other issues in accordance with the Bank's internal documents.

From April 25, 2006, to March 11, 2009. Head of Credit Department at JSCB «Energobank» (PJSC)

From May 11, 2004, to April 24, 2006. Head of the Branch Relations Division at the Business Development Department at JSCB «Energobank» (PJSC)

From September 1, 2003, to May 10, 2004. Head of the Non-Trade Currency Transactions Division at JSCB «Energobank» (PJSC).

No possession of ordinary shares of the Bank.

### 3. Rustem Albertovich Ismagilov (born in 1971)

Member of the Board of JSCB «Energobank» (PJSC)

Treasury Director at JSCB «Energobank» (PJSC).

Election/re-election/appointment/approval date

Elected to the Board of Directors on August 25, 2008, approved on September 29, 2008, and re-elected on July 20, 2011.

#### **Details of professional education, further professional education, academic credentials, and academic titles**

Kazan Institute of Economics and Finance, named after V.V. Kuibyshev (1993), Economist, Accounting, Control and Analysis of Business Activities. No further education or academic credentials, or titles.

#### **Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities**

From September 30, 2008, to present time: Treasury Director at JSCB «Energobank» (PJSC).

Job responsibilities: arranging and implementing measures aimed at providing the Bank's liquidity, participating in review procedures while controlling the risks in banking activities, coordinating the activities of the Bank's divisions performing active banking transactions, working on interbank market, and solving other issues in accordance with the Bank's internal documents.

From April 18, 2006, to September 28, 2008: Head of the Retailing Department at JSCB «Energobank» (PJSC).

From April 22, 2004, to April 17, 2006: Head of the Exchange Activities Department at JSCB «Energobank» (PJSC).

No possession of ordinary shares of the Bank.

Island Town of Svyazhsk



#### 4. Irina Petrovna Konnova (born in 1964)

Member of the Board of JSCB «Energbank» (PJSC). Elected to the Board of Directors on August 25, 2008, and reelected on July 20, 2011. First Deputy Chairperson of JSCB «Energbank» (PJSC). Appointed to the position on November 11, 2014. Agreed on April 24, 2006

##### Details of professional education, further professional education, academic credentials, and academic titles

Kazan Institute of Economics and Finance, named after V.V. Kuibyshev (1986), Economist, Finance and Credit. No further education or academic credentials, or titles.

##### Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities

From November 19, 2014 to the present time, the First Deputy Chairperson of JSCB «Energbank» (PJSC).

Job responsibilities: managing the Bank's operational activities in all the Banks focus areas within retail business, supervising the activities of the Bank's regional network; appointment ad interim (under the Charter) as the Chairperson of the Bank; solving other issues in accordance with the Bank's internal documents.

From April 25, 2006, to November 18, 2014. Deputy Chairperson of JSCB «Energbank» (PJSC)

From March 5, 2004, to April 24, 2006. Head of the Business Development Department at JSCB «Energbank» (PJSC).

From December 10, 2001, to March 4, 2004. Head of the Department for New Banking Technology Implementation and Branch Relations of the JSCB «Energbank» (PJSC).

From November 12, 2001, to December 9, 2001, economist at the Credit and Finance Department of JSCB «Energbank» (PJSC).

No possession of ordinary shares of the Bank.

#### 5. Flura Iskanderovna Yagofarova (born in 1969)

Member of the Board of JSCB «Energbank» (PJSC). Elected to the Board of Directors on August 25, 2008, and reelected on July 20, 2011. Chief Accountant at JSCB «Energbank» (PJSC). Appointed on April 6, 2007, and approved on April 4, 2007.

##### Details of professional education, further professional education, academic credentials, and academic titles

Kazan Institute of Economics and Finance, named after V.V. Kuibyshev (1991), Economist, Finance and Credit. No further education or academic credentials, or titles.

##### Employment history for the period of five years prior to the appointment/election date, information on being a member of supervisory/management boards of legal entities, description of responsibilities

From April 6, 2007, to present time, Chief Accountant at JSCB «Energbank» (PJSC).

Job responsibilities: managing the Bank's accounting division, representing the Bank's interest regarding the matters falling within the Accounting Department's competence; solving other issues in accordance with the Bank's internal documents.

From September 1, 2005, to April 5, 2007, Treasury Director at JSCB «Energbank».

From September 17, 2004, to August 31, 2005, Acting Treasury Director at JSCB «Energbank».

From September 10, 2003, to September 16, 2004, Deputy Chief Accountant and Deputy Treasury Director at JSCB «Energbank».

From October 22, 1996, to September 9, 2003, Deputy Chief Accountant at JSCB «Energbank».

No possession of ordinary shares of the Bank.

The Bank's Chairman or the members of the Supervisory Board do not have any shares in the Bank's authorized capital or its ordinary shares, and they did not perform any buying or selling transactions with the Bank's shares during the reporting year.

In 2016, there was a change in the composition of the Board – Yulia Vladimirovna Sokolova was excluded starting from March 4, 2016

## Report on Remunerations

The Bank's compensation policy considers both economic aspects and its employees' needs and interests; it supports the basic personnel management principles aimed at the best developing of their potential, at building a community of highly-qualified professionals, and at achieving the Bank's strategic goals.

### Supervisory Board

The Bank's Supervisory Board considers the compliance of the existing executive bodies' motivation system with the Bank's strategic goals. Depending on the changing conditions of the Bank's activities, including those relating to changing the Bank's strategy, the nature and the scope of its activities, and the level of risks taken, the Bank's Supervisory Board makes a decision on revising the Bank's regulations regarding material incentives of the Bank's executive bodies.

In 2016, the remunerations paid to the members of the Bank's Supervisory Board Management for year 2015 amounted to RUB 600.0 thousand.

As of the reporting date, no resolution was adopted regarding remunerations to be paid to the members of the Bank's Supervisory Board for year 2016

### Details of Remunerations and Refund of Expenses to the Supervisory Board

No.	Item	As of the End of the Reporting Period, RUB ths.	As of the End of the Preceding Year, RUB ths.
1	2	3	4
1	Short-term benefits, including:	600	No payments performed
1.1	Salaries	-	-
1.2	Bonuses	-	-
1.3	Salary increments	-	-
1.4	Remunerations to the members of the Supervisory Board	600	-
1.5	Other, such as social benefits, gifts, and leave salaries	-	-
2	Refund of expenses	-	-

## Board of Directors

### Details of Remunerations and Refund of Expenses to the Bank's Board of Directors

No.	Item	As of the End of the Reporting Period, RUB ths.	As of the End of the Preceding Year, RUB ths.
1	2	3	4
1	Short-term benefits, including:	16,621	16,840
1.1	Salaries	5,624	6,269
1.2	Bonuses	6,825	7,011
1.3	Allowance for managing activities	2,230	2,664
1.4	Other, such as social benefits, gifts, and leave salaries	1,929	896
2	Refund of expenses	13	111

River Sviyaga



## Audit Committee

### Details of Remunerations and Refund of Expenses to the Audit Committee

No.	Item	As of the End of the Reporting Period, RUB ths.	As of the End of the Preceding Year, RUB ths.
1	2	3	4
1	Short-term benefits, including:	-	-
1.1	Salaries	-	-
1.2	Bonuses	-	-
1.3	Salary increments	-	-
1.4	Other, such as social benefits, gifts, and leave salaries	-	-
2	Refund of expenses	-	-

## Internal Audit Service

### Details of Remunerations and Refund of Expenses to the Internal Audit Service and Internal Control Service:

No.	Item	As of the End of the Reporting Period, RUB ths.	As of the End of the Preceding Year, RUB ths.
1	2	3	4
1	Short-term benefits, including:	2,918	1,748
1.1	Salaries	1,730	1,214
1.2	Bonuses	805	394
1.3	Salary increments	-	-
1.4	Other, such as social benefits, gifts, leave salaries, and travel expenses	380	140
2	Refund of expenses	3	49

## Analyses and Risks Division

### Details of the amounts of remunerations, perquisites, and/or compensations for expenses of the risk management authority:

No.	Item	As of the End of the Reporting Period, RUB ths.	As of the End of the Preceding Year, RUB ths.
1	2	3	4
1	Short-term benefits, including:	929	-
1.1	Salaries	615	-
1.2	Bonuses	233	-
1.3	Salary increments	-	-
1.4	Other, such as social benefits, gifts, leave salaries, and travel expenses	81	-
2	Refund of expenses	-	-

In 2016, the total amount of remunerations paid to the key management personnel, including salaries, one-time payments, and other short-term benefits, made RUB 46,897 ths. (vs. RUB 33,973 ths. in 2015).

As of December 31, 2016, the headcount made 523 people (vs. 422 people in 2015), while the headcount of the key management personnel made 26 people, including 5 people in the Bank's Board of Directors and 5 people in the Supervisory Board (vs. 31 people, including 4 people in the Bank's Board of Directors and 6 people in the Supervisory Board, in 2015).

### Details of Remunerations to Employees Taking Risks

The total amount of remunerations to the employees taking risks and to the employees deciding on the Bank's performing operations or other transactions, the results of which may have impact on the Bank's regulatory compliance or on other situations that may attack the depositors' or creditors' interests.

Total Number of Employees Taking Risks	Total Amount of Remunerations to Employees Taking Risks	
	Fixed Component of Remunerations (Fixed Official Salaries)	Non-Fixed Component of Remunerations (Bonuses, Additional Pays, and Increments)
47	22,151,695.8	24,145,797.6

Total amount deferred of the non-fixed component of the remunerations to employees taking risks (to be specified in the amounts deferred as of the reporting date) and corrected remunerations to the members of executive bodies and to other employees taking risks.

Reporting Date	Amount Deferred, Corrected
Feb. 9, 2017	None

Total amount of dismissal compensations paid to the members of Board of Directors or to other employees taking risks within the reporting year, and of the largest amount paid to the same

Number of the members of executive bodies and other employees taking risks, whose employment agreements were terminated within the reporting period	Total amount of dismissal compensations paid to people specified in column 1	The largest dismissal compensation paid to one person from among the people specified in column 1
4	359,404.2	209,779.1

Verkhny Uslon



## Details on the Bank's compliance with the Corporate Governance Code recommended for application by the Bank of Russia

In compliance with the best trends in domestic and international banking, a corporate governance system is considered by the Bank as a necessary condition for its successful development, for increasing its investment attractiveness, and for increasing capitalization.

The corporate governance system of JSCB "Energbank" is based on the effective interaction of all its management bodies – General Stockholders Meeting, Supervisory Board, Board of Directors, and the Chairman, as well as specialized Committees of the Bank.

In performing its activities, the Bank follows the principles and rules stated in the Corporate Code of Conduct approved by the Annual Stockholders Meeting on May 29, 2015. The Code comprises regulations relating to the protection of stockholders' legal rights and interests, observing which allows the Bank to strengthen its customers' confidence and increase its investment attractiveness and the efficiency of activities performed

### The priorities of corporate management include measures and activities aimed at:

- Providing efficient control over the Bank's financial and economic activities in order to protect the stockholders' legal rights and interests;
- Providing the transparency of decision making;
- Delimiting authorities, the matters of competence and accountability among the Bank's management bodies, organizing the efficient activities of the Bank's Supervisory Board and the Board of Directors;
- Observing professional and ethic responsibilities of the Supervisory Board members, of the members of collective executive bodies, and of officers and other employees;
- Supporting the high level of informational transparency (establishing the order and control of timely revealing the comprehensive and reliable information about the Bank);
- Building up a well-balanced system of interrelations and preventing conflicts of interests among stockholders, the members of Supervisory Board, executive authorities, officers, creditors, depositors, and other customers or counterparties;
- Complying with the laws of the Russian Federation and with the Bank's organizational and internal documents

The Volga backwater near Arakchino



## Information on Major Related-Party Transactions

List of deals performed by the Bank within the reporting year and considered as major transactions according to the Federal Law "On Joint-Stock Companies", as well as of other deals that should be approved as major transactions according to the Bank's Charter.

No major transactions or any other deals that should undergo the approval procedures as major transactions according to the Bank's Charter were performed by the Bank within the reporting year.

Details on the deals performed by the Bank within the reporting year and considered as related-party transactions according to the Federal Law "On Joint-Stock Companies".

In 2016, the following deals were approved, which had been considered as related-party transactions in compliance with the Federal Law "On Joint-Stock Companies":

Transaction Type and Counteragent Name	Transaction Subject	Related Persons and Grounds	Amount in RUB	Interest Rate in %	Managing Authority That Has Decided to Approve the Transaction	
<b>Credits Granted to Legal Entities:</b>						
ОАО "Bolshiye Klyari"	Lending on conditions of maturity, repayment and interest payment	Ilshat Nazipovich Khairullin, the member of the Supervisory Board	40,000,000.00	13.00	Supervisory Board	
ОАО "Bolshiye Klyari"			22,000,000.00	13.00		
ОАО "Bolshiye Klyari"			15,000,000.00	13.00		
ОАО "Bolshiye Klyari"			15,000,000.00	13.00		
ОАО "Bolshiye Klyari"			10,000,000.00	13.00		
ОАО "Bolshiye Klyari"			15,000,000.00	12.00		
<b>Credits Granted to Legal Entities:</b>						
<b>Bank Guarantees (Principals):</b>						
ОАО "Bolshiye Klyari"	On the Principal's request, the Bank undertakes to pay to the third party (beneficiary), as specified by the Principal, an amount on conditions provided for in the bank guarantee agreement.	Ilshat Nazipovich Khairullin, the member of the Supervisory Board	2,100,000.00		Supervisory Board	
ZАО TK "Edelveis"			4,243,669.00		Supervisory Board	
ОАО "Bolshiye Klyari"			2,000,000.00		Supervisory Board	
ООО "Krasni Vostok-Transavto"			ZАО "Edelveis Corporation"	622,241.00		Supervisory Board
ООО "Krasni Vostok-Transavto"			ZАО "Edelveis Corporation"	2,228,856.00		Supervisory Board
ООО "Krasni Vostok-Transavto"			ZАО "Edelveis Corporation"	630,008.00		Supervisory Board
ОАО "Bolshiye Klyari"			Ilshat Nazipovich Khairullin, the member of the Supervisory Board	1,800,000.00		Supervisory Board
ОАО "Bolshiye Klyari"			Ilshat Nazipovich Khairullin, the member of the Supervisory Board	1,000,000.00		Supervisory Board



The surety of AO "Tatarstansiye zernovyye tekhnologii" for the following borrowers:					
OOO "VZP Bilyarsk"	The surety shall be liable to the Bank for using by the Bank's borrower its liabilities in full or in part	AO "Edelveis Corporation"	90,000,000.00	13.00	General Stockholders Meeting and/or Supervisory Board
OOO Megaferma "Oktyabrsky"			50,000,000.00	13.00	
OAO VZP "Severnoye Alekseevskoye"			50,000,000.00	13.00	
OOO "Pichaev - Niva"			30,000,000.00	13.00	
OAO "Bolshiye Klyari"			40,000,000.00	13.00	
OAO VZP "Rybnaya Sloboda"			40,000,000.00	13.00	
OOO "Vostok kormoproizvodstvo"			80,000,000.00	12.00	
OOO "VZP Zavolzhya"			80,000,000.00	12.00	
OOO "VZP Zavolzhya"			80,000,000.00	12.00	
OAO VZP "Rybnaya Sloboda"			70,000,000.00	13.00	
OOO "Zernothers"			100,000,000.00	13.00	
OAO VZP "Rybnaya Sloboda"			70,000,000.00	13.00	
OOO "VZP Zavolzhya"			30,000,000.00	13.00	
OOO "Kapital Grupp"			50,000,000.00	13.00	
OOO "VZP Bilyarsk"			50,000,000.00	13.00	
OOO "VZP Zavolzhya"			50,000,000.00	13.00	
OOO "Zernothers"			50,000,000.00	13.00	
OAO "VZP Bulgar"			3,000,000.00	12.00	
OOO "VZP Zavolzhya"			27,000,000.00	12.00	
OAO VZP "Rybnaya Sloboda"			5,000,000.00	12.00	
OOO "VZP Bilyarsk"			10,000,000.00	12.00	
OAO VZP "Severnoye Alekseevskoye"			5,000,000.00	12.00	
OOO "Bobrov-Niva"			35,000,000.00	12.00	
OOO "Plemennoye delo"			45,000,000.00	13.00	
OOO "VZP Zavolzhya"			60,000,000.00	12.00	
OOO "VZP Zavolzhya"			34,000,000.00	12.00	
OOO Megaferma Lebyazhye			16,000,000.00	13.00	
OAO "VZP Bulgar"			64,000,000.00	12.00	
OOO "VZP Bilyarsk"			30,000,000.00	12.00	
OOO "Ulyanovskaya Niva"			20,000,000.00	12.00	
OAO VZP "Rybnaya Sloboda"			10,000,000.00	12.00	
OOO "VZP Zavolzhya"			50,000,000.00	13.00	
OOO "Plemennoye delo Zavolzhya"	20,000,000.00	13.00			
OOO "Plemennoye delo Privolzhye"	10,000,000.00	13.00			
OOO "Plemennoye delo Alekseevskoye"	5,000,000.00	12.00			
OOO "VZP Bilyarsk"	45,000,000.00	12.00			

OOO "Ulyanovskaya Niva"			10,000,000.00	12.00	
OAO VZP "Rybnaya Sloboda"			20,000,000.00	12.00	
OAO VZP "Severnoye Alekseevskoye"			25,000,000.00	12.00	
OOO "Plemennoye delo Alekseevskoye"			30,000,000.00	12.00	
OOO "Plemennoye delo"			25,000,000.00	12.00	
OOO "Plemennoye delo Zavolzhya"			10,000,000.00	13.00	
OOO "VZP Zavolzhya"			10,000,000.00	12.00	
OAO "VZP Bulgar"			40,000,000.00	12.00	
OOO "Megaferma Lebyazhye"			25,000,000.00	12.00	
OOO "Pichaev - Niva"			15,000,000.00	12.00	
<b>Secured transactions:</b>					
Cattle owned by OAO "Bolshiye Klyari" (secured by OAO "Bolshiye Klyari")	securing their credit obligations	Ilshat Nazipovich Khairullin, the member of the Supervisory Board	18,887,007.37	-	Supervisory Board
Movable property owned by ZAO "TK "Edelveis"" (secured by ZAO "TK "Edelveis"")	securing their obligations under the bank guarantee	Ilshat Nazipovich Khairullin, the member of the Supervisory Board	10,003,067.00	-	Supervisory Board

The related-party transactions performed by the Bank, for which it was decided not to disclose the transaction terms and conditions and its counterparties in accordance to the current legislation.

Transaction Type	Transaction Subject	Related Persons and Grounds	Number of transactions, pcs.	Amount in RUB	Managing Authority That Has Decided to Approve the Transaction
Deposit agreement	deposit opening, deposit prolongation	ZAO "Edelveis Corporation", the Bank's majority stockholder	8	359,800,000.00	Supervisory Board
Deposit agreement	deposit opening, deposit prolongation	Ilshat Nazipovich Khairullin, the member of the Supervisory Board	8	2,202,800,000.00	Supervisory Board
Lending to individuals	issuing a credit card, overdraft, or mortgage	Nadezhda Yakovlevna Golubeva, Rustem Albertovich Ismagilov, Anna Vladimirovna Ivanova, Ilyas Rasimovich Ganiyev	4	2,841,000.00	Supervisory Board

### Amounts of Energy Resources Consumed

JSCB "Energobank" (PJSC) consumed the following energy resources in 2016:

Resource	Amount	Costs in RUB
Heat Energy (Gcal)	866	1,316,797.32
Electric Energy (kW/h)	378,975	2,000,989.65
Natural Gas (ths. of cubic meters)	14	83,579
Water Supply (cubic meters)	2,336	63,078.62
Motor Gasoline (liters)	38,414	1,139,054.35
Diesel Fuel (liters)	7,508	234,056.10

The Supervisory Board's Report on the Bank's Performance in Its Major Activities:

Within the reporting period, the Bank maintained its pace at a favorable level with the positive growth dynamics:

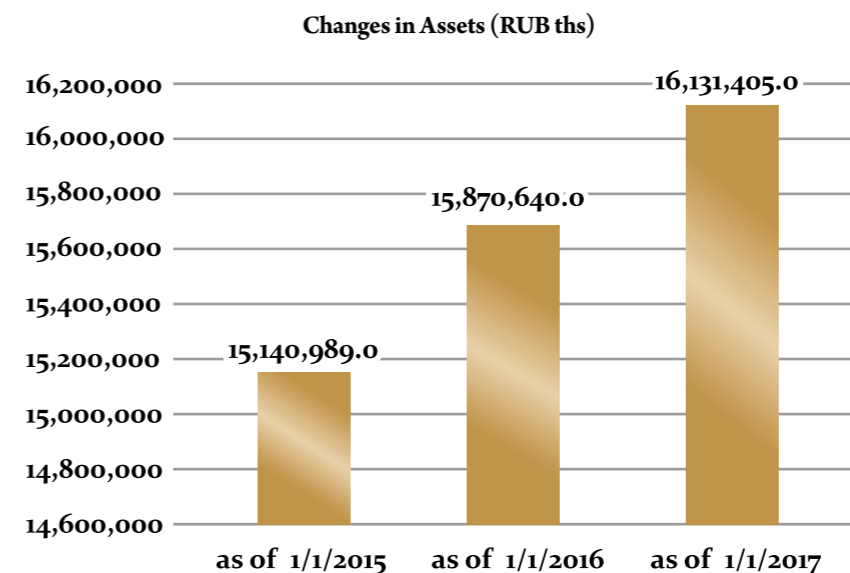
- The Bank's assets increased by RUB 260,765 ths., or 1.6%, and reached RUB 16,131,405 ths.;
- The capital base of the Bank increased by 2.3 % and made RUB 4,097,155 ths.;
- As of the end of 2016, the net lending receivables increased by RUB 1,230,444 ths. and made RUB 13,111,793 ths.;
- Monetary assets raised into deposits from legal entities decreased by RUB 361,716 ths. and made RUB 3,128,646 ths.;
- Net profit received by the Bank within year 2016, made RUB 401,230 ths., which is 12.8% higher than in the prior year

	2016	2015	Changes
Assets in RUB ths	16,131,405	15,870,640	+1.6 %
Capital Base (Basel III)* in RUB ths	4,097,155	4 003 319	+2.3%
Credit portfolio in RUB ths	13,111,793	11,881,349	+10.3%
Funds held for customers in RUB ths	11,940,910	11,823,399	+0.9%
Liabilities in RUB ths	12,421,178	12,458,168	-0.3%
Profit in RUB ths (before distribution of dividends)	401,230	355,563	+12.8%
Capital adequacy, R1, in %	23.2	21.6	+1.6 points
Return on assets (ROA) in %	2.99	2.90	+0.1 points
Return on equity (ROE) in %	9.79	8.88	+0.9 points
Assets profitability in %	144.35	188.11	-43.8 points
Profit margin (PM) in %	2.07	1.54	+0.5 points

\*According to the Bank of Russia's Regulation No. 395-II dated December 28, 2012.

### Assets

Over year 2016, the assets have increased by 1.6 % and reached RUB 16,131,405 ths (vs. RUB 15,870,640 ths in 2015)

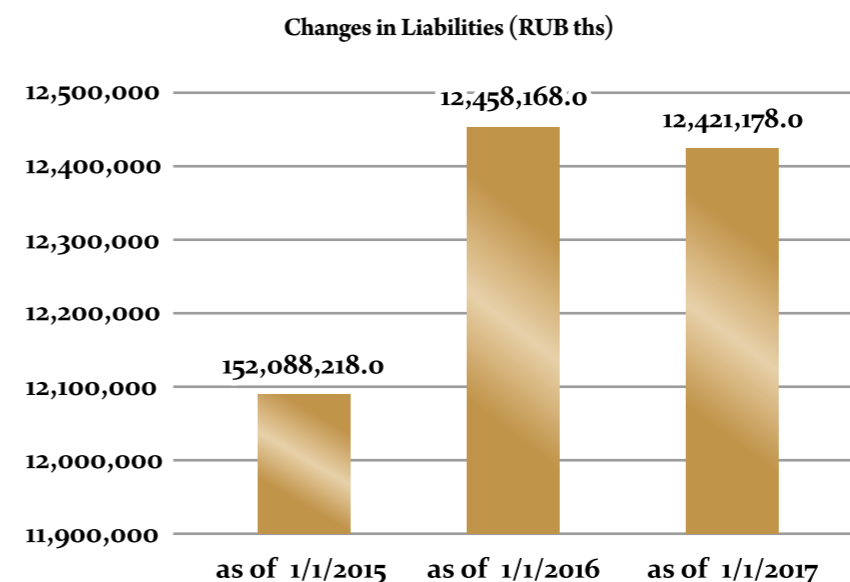


As before, the Bank's credit portfolio is the main asset within its asset profile and makes 81.3% (vs. 74.9% in 2015) of the total amount of the assets. The largest part of the Bank's loan portfolio is represented by the loans to corporate customers and amounts to 88.2% (vs. 89.5% in 2015). Over the past year, the credits issued by the Bank amounted to RUB 17,7 billion. The credit portfolio of the Bank's corporate borrowers increased by 1.9% and made RUB 15,770,880 ths as of January 1, 2017. The portfolio of cash loans, including overdrafts, has also increased by 16.3% as of January 1, 2017, and made RUB 2,1 billion (as of January 1, 2016: RUB 1,8 billion).

Over the reporting year, the investments in securities have decreased by RUB 109,268 ths, or 27.8% (vs. RUB 102,771 ths, or 20.7%, in 2015) – their amount has made RUB 283,075 ths (vs. RUB 392,343 ths in 2015).

### Liabilities

Over year 2016, the Bank's liabilities decreased by 0.3% and made RUB 12,421,178 ths (vs. their increase by 3.1% and the total amount of RUB 12,458,168 ths in 2015).

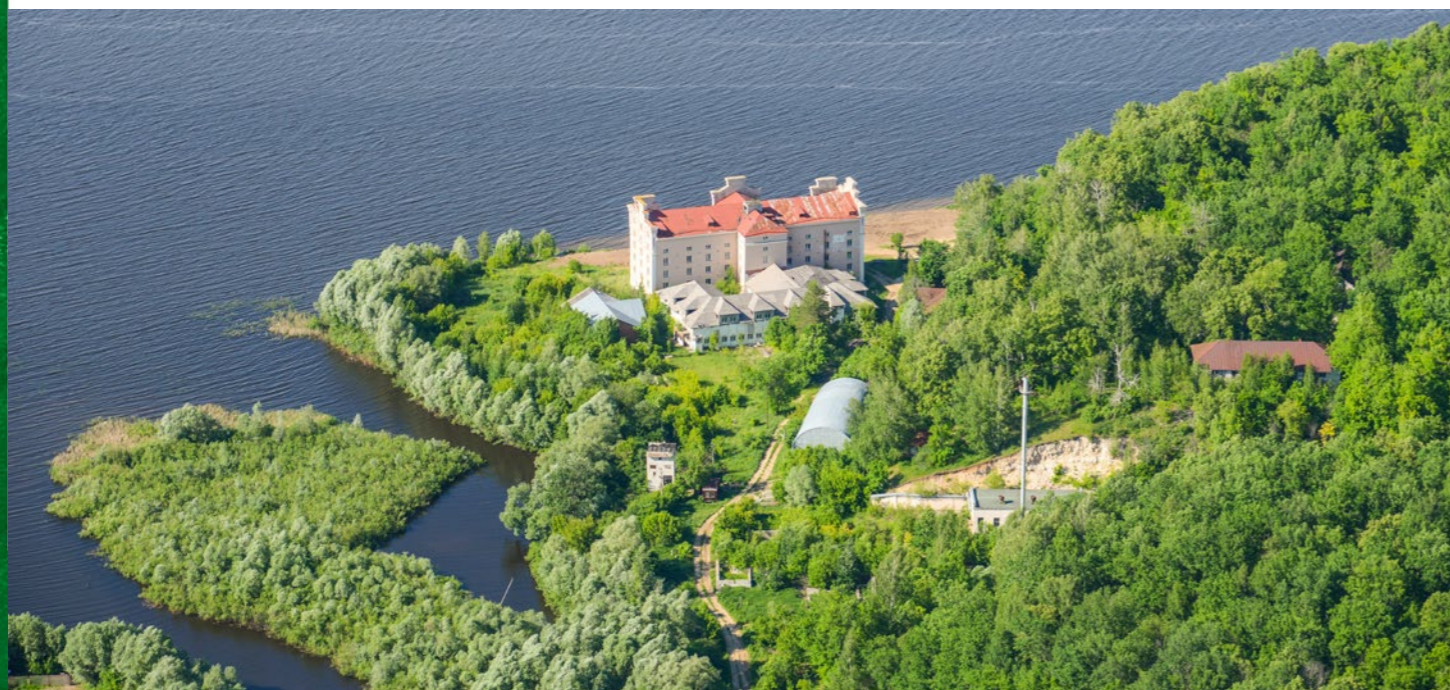


Funds held for legal entities and for individuals prevail within the structure of the raised funds, making 96.1% (vs. 95% in 2015).

Over the reporting year, the current account balances of our corporate customers have decreased by RUB 346,979 ths (vs. RUB 823,100 ths in 2015), and they have made 43.3% (vs. 46% in 2015) to the total amount of liabilities.

As of January 1, 2017, the amount of funds held for individuals, including private entrepreneurs, has increased by 7.6% for the year and made 52.8% (vs. increasing by 14.2% and making 49% as of January 1, 2016) to the total amount of the Bank's liabilities.

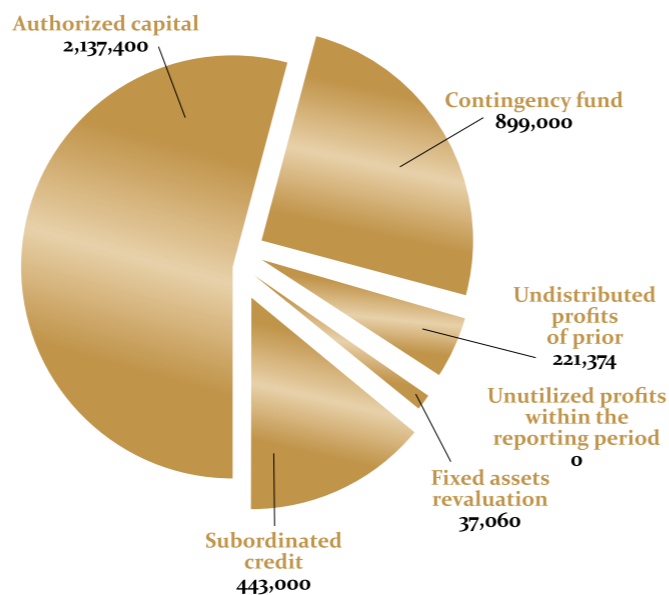
Рустые Морквашки



### Capital Base

As of the end of 2016, the capital base of the JSCB "Energbank", calculated in accordance with the Instructions of the CB RF No. 395-P, made RUB 4,097,155 ths (vs. RUB 4,003,319 ths in 2015), which exceeds the prior year's amount by 2.3%. The share of the authorized capital within the capital base structure makes 52.2% (vs. 53.4% in 2015).

Capital Base Structure as of January 1, 2017 (in RUB ths)



### The main Priorities of the Bank and Its Prospects for Development

#### REGIONAL DEVELOPMENT

- As of January 1, 2017, the Bank's regional network is represented by 23 branches, of which:
- 14 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), and
  - 2 operational offices in the Volga Region (in Cheboksary and Ulyanovsk).
- At the Bank's service centers, our customers can buy the full range of banking services, namely:
- Full corporate and retail banking services,
  - Various lending programs,
  - Raising deposits,
  - All types of bank operations with and without opening a bank account,
  - Bank transfers,
  - Payments for utility services, and
  - Currency exchange.

The development of its regional network allows the Bank to work with its customers more efficiently, forge trust-based partnership, be as much available to their businesses as possible. The working hours of the branches is organized considering the needs of our customers: They are open till 8 p.m. on week days and till 3 p.m. on Saturdays, and the services to individuals are provided without lunch breaks. 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.

As of January 1, 2017, 46203 deposits in Russian Rubles and in foreign currencies were opened in the Bank's branches. Over year 2016, the amount of individuals' deposits has increased by 1,885 accounts, or 4%. As of January 1, 2017, the balances on the individuals' deposits within the Bank's branches had amounted to RUB 3,134.3 million, or 51% of the total amount of balances on the deposits of individuals throughout the Bank; the growth rate had made 117%, as compared to the preceding year. Branch No. 9 at 72 Fuchika str. and No. 2 at 1 Maksimova str. are leading in raising the customers assets into their bank accounts.

Branches account for 92.3% of the Bank's total portfolio of retail loans issued; as compared to the previous year, the increase was RUB 309 million, or 18.8% (the loan portfolio of individuals made RUB 1,949.3 million as of January 1, 2017). A significant growth in cash lending was achieved by branches Nos. 18 and 21 in Naberezhniye Chelny, No. 4 in Almetyevsk, and No. 17 in Nizhnekamsk.

Year 2016 is characterized by a steady and even development in working with legal entities. The Bank's branches provide services for 7,804 accounts of legal entities and entrepreneurs; as compared to the previous year, the growth rate is 8%. As of January 1, 2017, the average historical balances on the customers' accounts amounted to 2303 million.

In the reporting year, the work on reformatting the Bank's branches continued, the repairs were performed in Kazan branches located at: 13 Frunze str., 37 Mira str., 33 Adoratskogo str., and 73 Korolenko str. In September, 2016, Branch No. 17 of Nizhnekamsk moved to one of the main avenues of the city - 53 Khimikov Ave. In order to improve the customer services and to control and optimize business processes in servicing, the DoCash Q2 queuing systems were implemented in almost all branches in Kazan, as well as in the branches located in Naberezhniye Chelny.

### RETAIL BUSINESS DEVELOPMENT

#### Lending to individuals

The reporting year has generally shown a good growth in retail business, in particular in retail lending. Almost in all its segments, the increase in indexes has been seen, with the exception of general loans (contingency loans), the decrease in which relates to the general Bank's approach to establishing a secured loan portfolio.

Maintaining the conservative policies and standards in granting loans to individuals allowed the Bank to establish a quality loan portfolio. As in preceding years, the Bank performed active work with the public, such as giving presentations at enterprises and working with «cold» and «warm» client base, automobile dealerships, brokers, and real-estate agencies, and focused its efforts on getting borrowers with good credit statuses, the customers that get their salaries onto the card issued by the Bank, and the employees of the public sector, offering them more attractive lending conditions.

Ongoing work on improving facilities and product lines allows us now to cover practically all basic public needs. They include:

- Consumer lending 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;
- Refinancing the loans committed to third-party banks;
- 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.

At the same time, regarding the programs, the Bank gives the Borrower an option to choose the repayment schedule, such as graduated payments or equal monthly installments.

All the measures taken allowed the Bank to ensure the 16.3% growth of its loan portfolio that has amounted RUB 2,112,839 ths as of January 1, 2017 (vs. RUB 1,816,948 ths as of January 1, 2016).

The most significant growth is observed in automotive lending, where the portfolio has grown by 46% (+RUB 241.5 ths) over year 2016, which has resulted in increasing the share of this portfolio within the total retail portfolio of the Bank from 29% through 36%. This growth was contributed to by the national car manufacturers support program due to the bank's shortfall in revenue when granting car loans to individuals, which resulted in significant reducing the interest rates for customers and supported the consumers' demand for car loans during the whole year.

The second-largest growth in portfolios is mortgage lending, where the increment had amounted RUB 124.5 ths, or +16%, over year 2016. As in prior years, the Bank implements its own mortgage programs only. In addition, the Bank has developed and is operating special credit facilities for individuals to purchase real estate facilities from developers with long years of positive experience, which allow both get credits at low interest rates and purchase a real estate facility without any down payments.

Focusing our efforts on increasing the secured loan portfolio resulted in decreasing the portfolio of no-purpose (contingency) loans by 13.6%, or RUB 70.1 million, and in reducing the proportion of the no-purpose loan portfolio within the total Bank's retail portfolio from 28% down to 21%.

In 2016, the total amount of loans granted under mortgage/individual lending programs, including the loans for purchasing cars, amounted to over RUB 1.33 billion, which is 42% higher than in 2015. Of them:

- The amount of loans granted for purchasing cars has increased by 72% and amounted to RUB 630.8 million,
- The amount of mortgage loans granted has increased by 37% and amounted to RUB 405.9 million, and
- The amount of no-purpose individual loans granted has increased by 9% and amounted to RUB 295.2 million.

RUB ths

	January 1, 2016		January 1, 2017	
	Amount	%	Amount	%
Cash loan portfolio	1,816,948	100	2,112,839	100
<b>including:</b>				
Mortgage	777,742	43%	902,213	43%
Car loans	525,048	29%	766,592	36%
Emergency loans	514,158	28%	444,034	21%

Over the reporting period, the Bank has processed about 7.6 ths of applications from individuals for getting loans, which is comparable to those processed over year 2015.

All the Bank's branches provide services on all the consumer and mortgage credit programs.

In 2016, the Bank also placed great store on reducing and preventing loan arrears. Its efficient work in this area allowed the Bank to have reduced the proportion of loan arrears within the total individual loan portfolio from 2.41% down to 2.29% over the reporting year.

In 2017, 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. The above plans will be implemented by closer working with car dealers, brokers, and real-estate agencies by setting the priority sales of secured credit products.

The priority within the framework of developing retail lending will be retrofitting and modernizing the existing lending techniques and business processes, including implementing new software tools aimed at reducing the time taken to decide on credit applications, formalizing the borrower credit worthiness, and increase in control over the loan portfolio quality, which, in its turn, will allow us to promptly respond to changes in market and in the basic indexes of the bank performance in retail lending.

**Deposits, Transfers**

According to the data provided by the Bank of Russia, the amount of money deposited on the accounts in Russian rubles stably tended to grow during the entire year 2016, except for its first months. Analysis of data regarding the amounts of consumer funds raised in the banks in Russian rubles has shown, over 2016, the growth of just a little under 19%, while the deposits made in foreign currencies have demonstrated negative growth.

Following the changes in the Bank of Russia's key loan rate, the decrease in interest rates on deposits is observed throughout the entire banking system. Thus, if the maximum interest rate for deposits in RUB of ten lending agencies raising the largest amount of deposits of individuals was 9.9% annually as of January 1, 2016, it has decreased down to 8.40% by January 1, 2017. This shows the stabilization in economy and return to pre-crisis levels.

As in prior years, within the reporting period, the Bank performed purposeful work aimed at maintaining its deposit portfolio at an acceptable level, promptly responding to changes in the economic situation. This allowed us both increase the portfolio of RUB deposits by 9%, i.e. up to RUB 6,131.9 million (vs. RUB 5,637.01 million as of January 1, 2016), and reduce the portfolio weighted average interest rate by 1.4% down to 10.64% annually.

Despite some turmoil in the banking system of the Republic of Tatarstan, the Bank's investors are seeking to invest their available assets for a long period of time. This approach has resulted in a significant change in the structure of the Bank's public funds. Thus, the proportion of deposits for 1-3 years has significantly increased from 28.7% up to 36.0%, while the proportion of those for 181 days to 1 year has decreased, in absolute terms, by RUB 42.9 million, or, in percentage terms, from 11.1% down to 7.3%. The fact that the Bank's individual customers place their temporary funds on longer-termed deposits shows the Bank's credibility.

and the social security bodies of the Republic of Tatarstan, regarding the transfer of pension and social payments to the accounts opened with the JSCB "Energobank". For retirees that place their pensions and social benefits on deposit accounts with the Bank, convenient and profitable types of deposits have been developed, and also we offer them special lending conditions at the lowest interest rates for using the monies borrowed.

In 2017, the Bank aims to further increase its portfolio of retail deposits. At the same time, the Bank is planning to maintain the average weighted rate at an acceptable level allowing a sufficient interest spread at their further placing to credits. The Bank will continue to collaborate with social security and pension support bodies within the territory of the Bank's presence, as well as to improve the deposit portfolio, having set the priority for selling long-term deposits based on RUB.

In 2017, the main areas of the Bank's work on increasing the portfolio of individual deposits will be:

- Retaining key customers (major depositors) and attracting new clients, including retirees, offering to all its customer categories convenient targeted tools for placing their temporary funds;
- Allowing its customers to open accounts and performing operations on it without visiting the Bank's offices, by introducing a remote banking system for individuals. This service is expected to increase the Bank's attractiveness and its fee-based income, including through more transactions performed by the customers.

**Transfers**

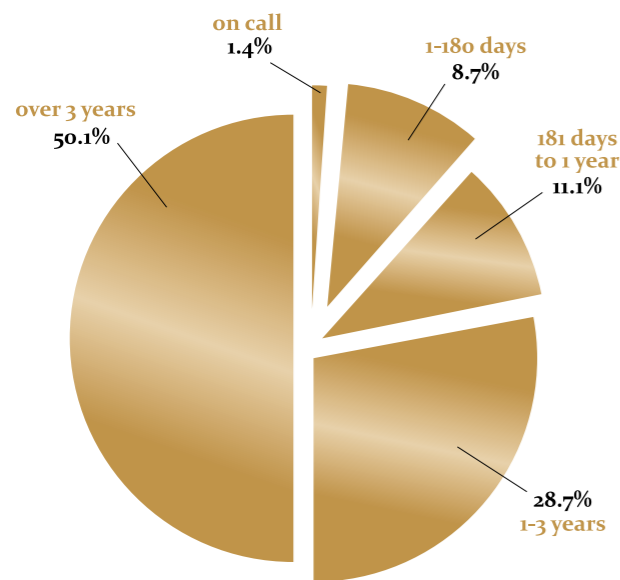
One of the most sought-after banking services among the public is money transfers and payments. Today, all the Bank's offices offer their services regarding money transfers with and without opening accounts, using international money remittance systems and payments of various types.

The Bank has chosen the best instant money transfer systems available on the market, such as Zolotaya Korona, Western Union, Unistream, and Blizko, and is offering them to its customers.

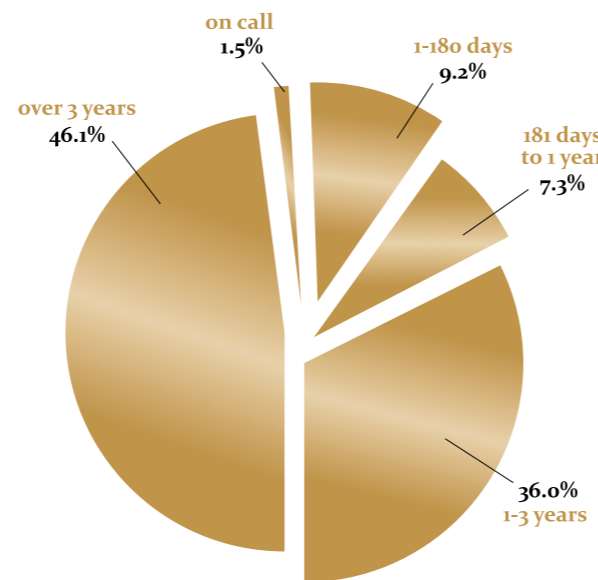
As in previous years, the most popular system for the Bank's clients is the Zolotaya Korona remittance system preferred by almost a half of the customers using instant transfers. This system poses as the most convenient and available, with its many cash points.

In order to develop the infrastructure for providing its services regarding payments and money transfers, the Bank launched, at the end of 2016, a project of installing in the Bank's branches and offices self-service terminals allowing the customer to independently, i.e. without addressing a specialist of the Bank, make the most-needed payments, such as payments for gas, telephone, mobile, utilities, Internet access, etc.

**Structure of Individual Deposits in Russian Rubles by Periods, as of 1/1/2016**



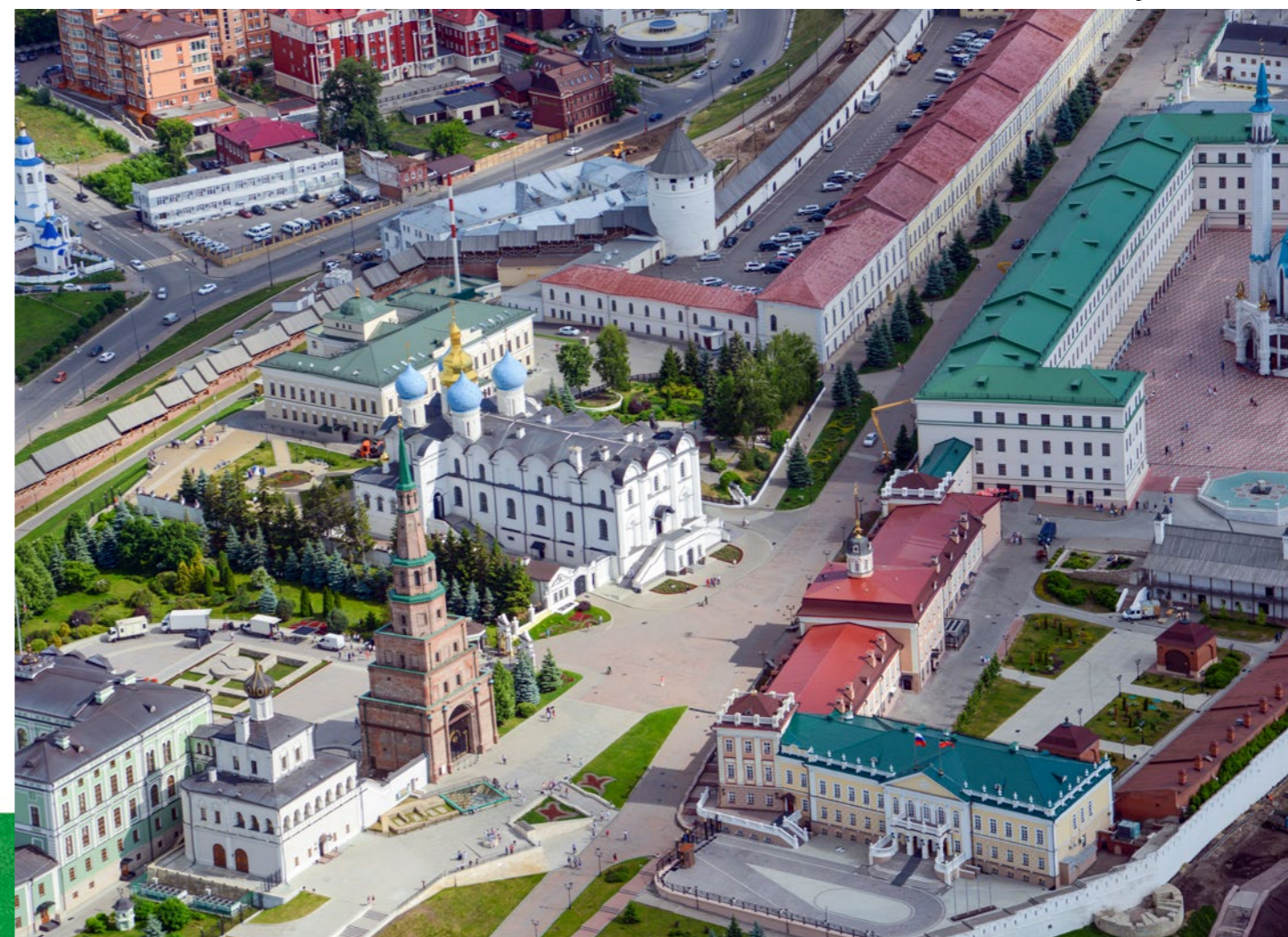
**Structure of Individual Deposits in Russian Rubles by Periods, as of 1/1/2017**



The growing level of the customers confidence in the bank amid the «jitters» on the deposits market due to some issues and revoking the licenses is evidenced by both the growth of the Bank's deposit portfolio and the increase in the number of active deposits, which exceeded 43.5 thousands as of 1/1/2017.

The Bank offers to its customers a great variety of banking products for saving and accumulating monetary funds, which satisfies the needs of all customer categories, which products are permanently improved. The Bank continues to actively collaborate with social security and pension support bodies, such as the Pension Fund of the Republic of Tatarstan, the Pension Fund of the Chuvash Republic,

*The Kazan Kremlin*



In 2017, the Bank is going to continue the development of its own self-service terminal network and the extension of the list of operations involving money transfers and payments, including and due to connecting to the leading Russian electronic payment system – CyberPlat. Moreover, within the framework of increasing the efficiency and automation of retail business commission operations, the Bank is planning to introduce a system of remote banking services for individuals, designed to develop the modern and comfortable conditions for performing banking operations and to reduce the loads of the Bank's cash departments.

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.

**Bank cards**

Throughout 2016, the bank card market, in general, continued to show a slow but steady growth. The volumes of issuance and the penetration of bank card tools increased. Touch-free payment technology is at the peak of focus. As to issuing payment cards, debit products continued to predominate.

According to the results of many studies, the vast majority of Russians (up to 73%) have bank cards, and about one third of them has two or more cards. At the same time, the majority carries and uses only one of them.

Debit cards.

Debit cards are the main card product of JSCB «Energobank» (PJSC). In 2016, the Bank also actively issued bank cards, with the increase of 11% in their number over the year. As of the end of the reporting period, the total amount of active cards was 22 ths. As of 1/1/2017, the bank card account balances made over RUB 146 million, the increase being 11.3%.

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 217.

In 2016, the number of customers that have used a special product for the retirees of various categories, «Social Card», increased. The card is easy to issue and provides an opportunity to both receive pensions and social payments comfortably and get some additional earnings due to the increased interest rate on the average annual balance, while no payments for annual servicing, issuing or transferring the pension money represent a bonus.

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 5,000 monthly.

Credit cards.

In 2016, JSCB «Energobank» (PJSC) continued its onward movement on the credit card market, having offered to all categories of its customers a credit card with a grace period and favorable cash withdrawal terms.

A bank's customer can have a card with larger limit and lower annual interest than just a «man of the street». JSCB «Energobank» (PJSC), just like any other bank, considers its customers to be more reliable and, on its part, does its best to offer them a unique product.

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.

Internet banking.

The bank continued informing its customers on the benefits of HandyBank – an Internet banking system. HandyBank allows a user to manage his or her bank account via any computer or mobile device at any time, as well as to pay for various services or purchases quickly and securely, and also transfer money or make payments, including taxes or duties, and much more. In 2016, the Bank upgraded the user interface of HandyBank. It has become more functional, user-friendlier, and simpler. We also added necessary functions, such as account details, tracking and paying for traffic fines, and online transfers from one card to another at a reduced cost. The customer can also write a message now.

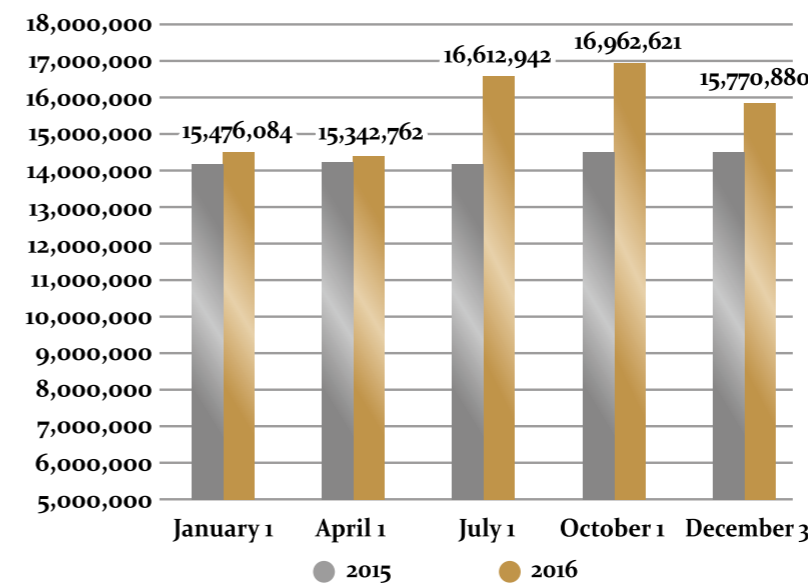
**Lending to Corporate Business**

In 2016, JSCB «Energobank» (PJSC) performed its credit and financial operations with all groups of its corporate customers, the share of which is 88.2% of the total loan portfolio as of January 1, 2017.

Despite the high level of competition in the corporate lending segment and the difficult conditions for the banking sector, the Bank's flexibility and willingness to respond to the customer needs, combined with quick decision-making, as well as its extensive experience in the local market allow the Bank to increase its portfolio of corporate customers.

Over the past year, the credits issued by the Bank amounted to RUB 17,7 billion. The credit portfolio of the Bank's corporate borrowers increased by 1.9% and made RUB 15,770,880 ths as of January 1, 2017.

**Corporate Loan Portfolio of JSCB «Energobank» in 2015-2016 (RUB ths)**



The total amount of credits granted by JSCB «Energobank» (PJSC) to the real sector of Tatarstan's economy made RUB 17,718,706 ths in 2016. Bank has granted credits to 193 customers operating in different sectors of economy.

In the past year, the key focus was on lending to small and middle-sized enterprises.

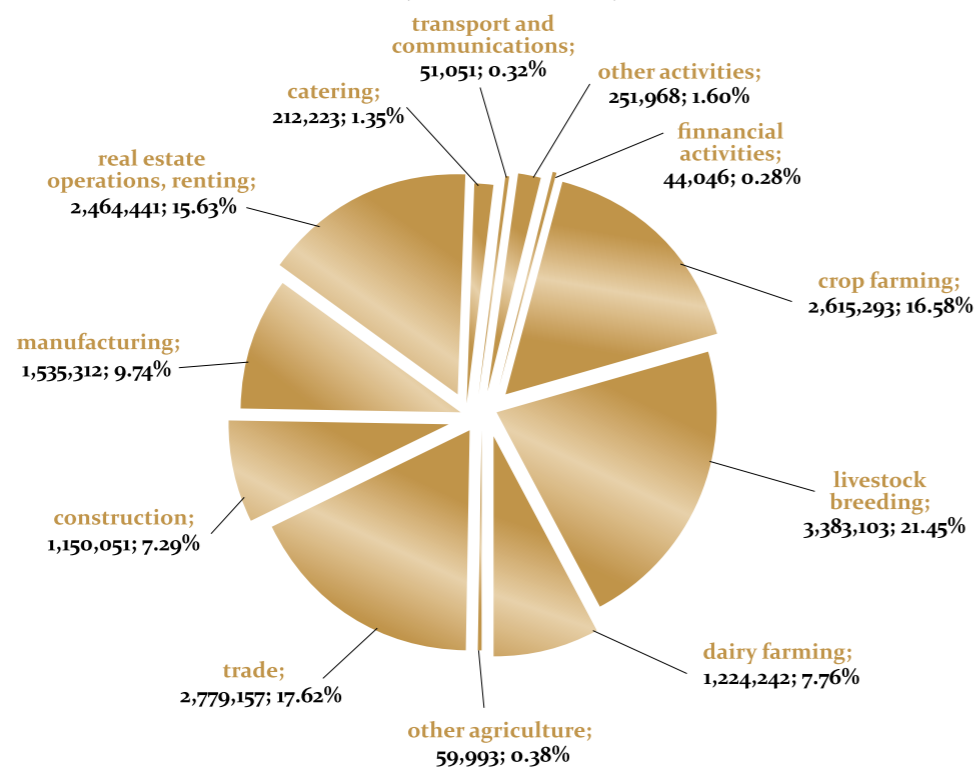
The largest part of credits was granted to SMEs - 390 credits with the total amount of RUB 14,427,442 ths; they make over 85.1% of the portfolio. The volume of the SME loan portfolio amounted to RUB 13,426,847 ths as of 1/1/2017.

**The structure of the corporate loan portfolio by the borrowers' areas of activities**

Industry	January 1, 2016		January 1, 2017	
	Amount in RUB ths	Percentage in %	Amount in RUB ths	Percentage in %
CROP FARMING	2,456,275	15.87	2,615,293	16.58
LIVESTOCK BREEDING	3,180,508	20.55	3,383,103	21.45
DAIRY FARMING	1,200,342	7.76	1,224,242	7.76
OTHER AGRICULTURE	116,916	0.76	59,993	0.38
TRADE	2,892,862	18.69	2,779,157	17.62
CONSTRUCTION	593,482	3.83	1,150,051	7.29
MANUFACTURING	1,485,601	9.60	1,535,312	9.74
REAL ESTATE OPERATIONS, RENTING	2,960,133	19.13	2,464,441	15.63
CATERING	351,793	2.27	212,223	1.35
TRANSPORT AND COMMUNICATIONS	72,002	0.47	51,051	0.32
OTHER ACTIVITIES	121,833	0.79	251,968	1.60
FINANCIAL ACTIVITIES	44,337	0.28	44,046	0.28
<b>TOTAL</b>	<b>15,476,084</b>	<b>100</b>	<b>15,770,880</b>	<b>100</b>

Within the sectoral structure of the corporate 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 made 46.2%. A share of credits granted to companies operating on commercial real estate market decreased from 19.1% down to 15.6%; the share of credits granted to trading companies decreased from 18.7% down to 17.6%. The share of credits granted to industrial enterprises remained at the level of the previous year, 9.7%.

**Structure of Corporate Loan Portfolio by Industries as of January 1, 2017**  
(in RUB ths and in %)



In 2016, JSCB «Energobank» (PJSC) is listed among the authorized banks participating in the SME Lending Incentive Program. Under the above Program, a General Agreement was concluded on December 11, 2016, under which the Bank was set the maximum limit of surety by AO «Korporatsiya MSP», in the amount of RUB 423.3 million.

In the reporting year, within the framework of the agreement between JSCB «Energobank» (PJSC) and the Non-Commercial Organization «Guarantee Fund of the Republic of Tatarstan» on granting guarantees to SMEs that take loans from JSCB «Energobank», a credit amounting to RUB 6,000 ths was granted on the surety of the Guarantee Fund.

In the reporting year, the Bank granted guarantees amounting to RUB 641,531 ths, including accelerated VAT credits in the amount of RUB 432,050 ths.

In terms of maturity, the loan indebtedness of corporate customers as of January 1, 2017, is distributed as follows: Mostly demanded were credits granted for more than 3 years, their share was 50.5%; short-term loans granted for less than one year and those granted for 1-3 years are equally demanded and their shares are 24.7% each.

In terms of constituent entities of the Russian Federations, the structure of the corporate customers' loan portfolio is as follows: 95.7% are the borrowers operating within the Republic of Tatarstan, the other 2.1% are the borrowers operating in the Ulyanovsk Region, the Voronezh Region (about 1%), the Tambov Region (0.9%), the Mari El Republic (0.3%), etc.

**In 2016, 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. Lumumbystreets. 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 2016, within the framework of the project implementation, a 10-storey 15-section apartment building with an underground parking facility for 251 car spaces was commissioned. At present, two 10-storey apartment buildings consisting of 13 sections with built-in non-residential premises are under construction. Completion of construction: Quarter 3, 2018. The buildings shall be commissioned in Quarter 4, 2017 - Quarter 3, 2018.
  - 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 2016, 19-storey 198-apartment house No. 5 was constructed and commissioned. At present, within the project implementation, the following residential buildings are under construction:
    - 10-storey 15-section 529-apartment residential house No. 1 with non-residential premises built in on the ground floor and an attached parking with 258 parking spaces;
    - 10-storey 13-section 468-apartment residential house No. 2 with non-residential premises built in on the ground floor;
    - 10-storey 459-apartment residential house No. 3 with non-residential premises built in;
    - 10-storey 564-apartment residential house No. 9 with built-in non-residential premises and parking for 297 parking spaces; and
    - 19-storey 288-apartment residential house No. 6 with non-residential premises built in.
 The houses are planned for commissioning for the end of 2016 - the 2nd quarter of 2018.

For the implementation of the projects, the Bank opened credit lines with the total amount of RUB 700,000,000.

2. Construction of a greenhouse complex of 5.5 hectares to cultivate tomatoes at a level of 4.6 ths tonnes, at: Zelenodolsky District, Republic of Tatarstan, Russia.
 

In 2016, within the framework of the project implementation, two workshops sized 3.28 ha and 2.27 ha were built and commissioned, and lighting equipment was purchased and mounted. Plating is currently under way.

For the implementation of the project, the Bank opened a credit line with the total amount of RUB 300,000 ths.
3. Construction of a grain drying and cleaning complex with silo towers having the storage capacity for 12,000 tonnes of grains in the Kuralovo Village located in the Verkhneuslonsky District of the Republic of Tatarstan. The project financing amounted to RUB 91,000 ths. During the past year, the buildings of the grain drying and cleaning complex (silo towers) were partly constructed, and the equipment for storing, cleaning and sorting the grains, as well as silo towers, grain driers, and bunkers were purchased and delivered to the site. The complex shall be put into operation in Quarter 3, 2017.
4. Reconstruction of floors 3 and 4 of the Azino Trade Center to be used for a fitness club; purchasing sports equipment. For the implementation of the project, the Bank opened a credit line with the total amount of RUB 40,000 ths. The renovation was completed in 2016, and the fitness club started to operate.
5. Construction of a department store at: Engels str., Zelenodolsk, Republic of Tatarstan, Russia. The credit line limit amounted to RUB 26,000 ths. The construction was completed in the reporting year. The mall was opened in mid-January, 2017.

The quality of the corporate customers credit portfolio in the Bank is relatively high, the past due rate makes 3.5% as of January 1, 2017. As of 1/1/2017, the past due amounts made the total of RUB 556,845 ths.

By the end of 2017, the Bank is planning to have increased its corporate loan portfolio up to RUB 17 billion, maintaining its high quality, its diversified sectoral structure, and the market share covered.

**Operations on Financial Markets**

In 2016, the Bank continued its operations on the security market. As of January 1, 2017, the Bank's securities portfolio decreased, as compared to the level of year 2016, by RUB 109,268 ths, or by 27.8%, and made RUB 283,075 ths (1.7% of the assets against 2.5% as of the relevant date of the prior year). The main reason for such reducing the securities portfolio was selling the bonds available for sale and the shares available within the Bank's trading portfolio.

**Information Technology Development**

Use and development of up-to-date information technology allow the Bank to meet certain standards and keep pace with time, provide a high-quality and convenient service to its customers, optimize banking, and improve its quality and labor productivity. The following tasks performed in 2016 should be noted here:

- Support of requirements for interaction with public bodies and external systems was provided, including GIS GMP (Public System of Information on Regional and Local Payments) and GIS ZhKKh (Public System of Information on Housing and Utility Services);
- The ABS module relating to servicing and accounting the credit operations of individuals was put into operation within the framework of the new ABS transition project;
- Putting into operation self-service kiosks in the Bank's branches;
- Putting into operation ticket systems for the customers at branches;
- Updating the Bank's official website;
- Putting into operation the online integration of the Bank's arrears administration system and ABS;
- Introducing and putting into operation a system for preventing and detecting fraudulent payments;
- Work was performed on retrofitting and improving the Bank's network and server infrastructure;
- Introducing the Information Security Management Center based on an adaptive protection system;
- Putting into operation the Bank's housekeeping accounting and management system, as related to business operations; and
- Performing activities aimed at transitioning to the new payroll and personnel management system.

## Prospects for the Bank's Future Development

In 2017, the Bank will continue introducing the queuing system in its branches and offices in other towns.

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 corporate business.** By the end of 2017, the Bank is planning to have increased its corporate loan portfolio up to RUB 17 billion, maintaining its high quality, its diversified sectoral structure, and the market share covered.

**In retail business.** In 2017, 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. The above plans will be implemented by closer working with car dealers, brokers, and real-estate agencies by setting the priority sales of secured credit products.

The priority within the framework of developing retail lending will be retrofitting and modernizing the existing lending techniques and business processes, including implementing new software tools aimed at reducing the time taken to decide on credit applications, formalizing the borrower credit worthiness, and increase in control over the loan portfolio quality, which, in its turn, will allow us to promptly respond to changes in market and in the basic indexes of the bank performance in retail lending.

In 2017, the Bank is going to continue the development of its own self-service terminal network and the extension of the list of operations involving money transfers and payments, including and due to connecting to the leading Russian electronic payment system – CyberPlat. Moreover, within the framework of increasing the efficiency and automation of retail business commission operations, the Bank is planning to introduce a system of remote banking services for individuals, designed to develop the modern and comfortable conditions for performing banking operations and to reduce the loads of the Bank's cash departments.

Strategic direction in the development of bank cards will be the distribution of co-branding projects that allow combining the efforts of the Bank and of trading companies, providing the extension of the privileges of its customers holding bank cards and increasing the volume of debit/credit cards issued.

In order to extend the volume of operations performed by the bank in 2017, we are planning to complete the "Self-Service ATMs" project that will allow our customers, without long queues, to perform public utility payments, transfer money, replenish a deposit, repay a credit, etc.

### **The strategy for developing information technology is:**

- Providing the highest automating level for banking systems to comply with all the requirements of business or regulating authorities;
- Implementing the online interaction among banking systems both inside the bank and with external systems or services; and
- Providing the information systems and security levels necessary for rendering to the bank's customers and employees as safe and functional electronic services as possible.

### **Outlooks of information technology development for year 2017:**

- Putting into operation the ABS module relating to servicing and accounting the deposit operations of individuals within the framework of the new ABS transition project;
- Putting into operation the ABS module relating to services for cash operations;
- Putting into operation the ABS module relating to ensuring electronic archiving of documents signed with electronic signature and related to arranging accounting, settlement and cash transactions;
- The Bank's migration to another processing center within the project of modernizing the provision of electronic services to the Bank's customers;
- Initiating the project of introducing and putting into operation the RB system for individuals;
- Migrating to the new version of RBS for legal entities;
- Working on choosing and introducing an information backup system;
- Working on the project of creating reserve site for data processing and storage;
- Putting into operation an automated system to make lending decisions on retail customers;
- Developing the system of full accounting and managing the Bank's housekeeping activities; and
- Working on the development of the Bank's client self-service systems

## Risk Management

### **Definition of the Bank's Specific Risk Management Policies**

A system for evaluating and managing bank risks was created and is functioning in the Bank. Bank risk management is aimed at finding, identifying and evaluating the risk, arranging a set of measures aimed at decreasing the risk level, accepting the admissible risk level, and monitoring the aggregate risk level. The risk management system created in the Bank is adequate to its business volumes and allows timely detecting, evaluating and monitoring the existing and potential risks.

The risk management system evaluation was considered during year 2016 by the members of the Supervisory Board at its meetings within the framework of considering quarterly reports on risk evaluation and management as a part of considering the evaluation issues on the internal regulatory basis of the Bank, governing the risk management system. In 2016, the members of the Supervisory Board recognized the risk management system to be satisfactory and relevant to the scale and nature of the Bank's activities. They also identified the internal documents as complying with the requirements of the current legislation, as well as with the nature and scales of the Bank's activities. The work on the Bank's internal control was also evaluated in 2016.

During year 2016, the activities of the risk management system was updated and refined in accordance with the requirements of Order No. 3624-U of the Bank of Russia «On the Requirements for the Capital and Risk Management System of a Lending Agency or a Banking Group» dated April 15, 2015. New methods of evaluating particular risks were introduced and the procedures of ensuring Bank's capital adequacy and planning were revised.

#### **The Bank has implemented a multilevel risk/capital management structure:**

- The main goals of the risk management system are:
- Identifying the risks inherent in the Bank's activities;
- Identifying potential risks, to which the Bank may be exposed;
- Detecting the risks important to the Bank;
- Evaluating the risks adopted in the lending agency;
- Aggregating the quantitative evaluations of the risks important to the Bank to estimate the total risk;
- Continuous monitoring/controlling the volumes of significant risks taken by the Bank; and
- 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.

#### **Key objectives of capital management:**

- 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 (base) adequacy requirements set by the Bank of Russia, and Results of the comprehensive risk assessment and stress-testing of the Bank's resistance against internal and external risk factors.

### **Credit risk**

Credit risk means a cost exposure due to the Bank's counterparties' failure to perform their liabilities, or the risk of the fall of securities prices due to the issuer's worse payment ability.

The maximum level of the Bank's credit risks is recorded in the balance-sheet cost of financial assets in the consolidated accounting balance-sheet. The possibility of mutual settlements of assets and liabilities is not significantly important for reducing the potential credit risk. For credit granting guaranties and commitments, the level of the credit risk is equal to the sum of the liabilities.

Credit risk is the most important risk in the Bank's activities. This is determined by the fact that the main business of the Bank is lending to corporate and retail customers. The most significant segment in this area is lending to corporate customers in agriculture.

The Bank manages its credit risk in accordance with the regulations of the Bank of Russia, the principles and techniques developed by the Basel Committee on Banking Supervision, and the internal documents developed on the basis of the above principles and best practices in risk management.

#### **The Bank's main approaches to the credit risk management:**

- Identifying, analyzing, and quantitative/qualitative evaluating the credit risk;
- Limitation of the credit risk by setting limits;
- Minimizing the credit risk when structuring deals and accepting loan collaterals;
- Monitoring the credit risk both at specific borrower level and at portfolio level; and
- Squirreling away capital to reserve for potential losses and evaluating the expected losses.

Credit risk is managed within a comprehensive risk analysis, management and control system that includes a combination of qualitative (expert) and quantitative (statistical) credit risk evaluations.

In order to analyze and monitor the financial standing of a legal entity, the Bank uses a company solvency assessment rating model that is the Bank's in-house development. The key indexes of the model are: The Borrower's cash flow adequacy index to cover the credit liabilities; the Borrower's property adequacy index to cover the credit liabilities (the Borrower's family property cost / the Borrower's credit limit); and credit history details. The credit risk assessment results shall be documented as reasoning in writing to be included into the credit file.

An important tool in regulating credit risk is securing the funds allocated by the Bank. A pledge can be represented by real estate, securities, transport and production equipment, material assets, or personal assets. To limit the credit risk, several pledges can be accepted simultaneously.

Within the framework of credit risk management, the Bank works with past-due and troubled debts, guided by the following principles:

- Strict regulation of standard procedures determining the work of the Bank's departments responsible for collecting past-due indebtedness, as well as the division of responsibilities of the Bank's departments at different work stages;
- Regular provision of full and reliable information on the past-due debt status and on work therewith;
- Continuous record-keeping regarding the results of measures taken by the Bank's responsible departments within the framework of collecting the past-due debts;
- Generating clear and regular reports on the efficiency of collecting past-due debts;
- Providing the opportunity to take specific point-based managerial decisions on enhancing the efficiency of collecting, such as prescriptions to perform actions relating to target Borrowers/borrowing groups and daily control over actual execution and action efficiency.

#### Credit risk limitation

The main credit risk level controlling tool is establishing the following types of credit risk limits:

- Limits on a contracting party, such as Bank loan debtor, issuer of securities in the Bank's portfolio, or agency bank;
- Industry limits – quantitative limiting conditions applied to all the Bank's investments relating to economic subjects within one industry;
- Product limits – quantitative limiting conditions applied to the procedure of performing the Bank's retail credit transactions, as related to credit products;
- Limits of the Bank's division managers' responsibilities are the quantitative limiting conditions applied to the decisions on establishing individual lending limits, without agreeing with the Credit Committee. Such limitations are applied to the activities of the Bank's Vice-Chairpersons and to those of the Bank's business division managers responsible for performing active operations.
- Within the Bank's development strategy, the Bank sees, first of all, the following main directions within its credit risk managing and reducing:
- Within the framework of corporate lending – reducing the credit risk concentration levels and reducing the sectoral structure disproportions of the advances portfolio through attracting the medium-sized companies of the manufacturing sector and small enterprises to serving them; squirreling additional provisions for possible losses on loans regarding the sectoral borrower groups, which are characterized by a high level of concentration;
- Within the framework of retail lending – building up a formalized credit risk evaluation system and improving the procedures of collecting past-due debts on retail credits.

#### Stress testing the credit risk

The Bank performs stress testing its credit risk quarterly in order to evaluate the possibility of changes in the credit portfolio quality, in case of unfavorable changes in economy.

#### *The Makaryevsky Monastery*



#### Concentration risk

The Bank's concentration risks are related to the area and region of its activities.

The main business focus of the Bank is lending to corporate and retail customers. The most significant segment of the corporate credit portfolio is lending to agricultural industry. The share of credits granted to the enterprises operating in this industry makes 46.1% of the Bank's loan portfolio.

The Bank performs its activities primarily in the Republic of Tatarstan. Its activities in other regions are not significant and does not have any essential impact upon the Bank's business. The share of credits granted in the Republic of Tatarstan is 83.2% of the Bank's credit portfolio.

The Bank detects, evaluates, and limits the concentration of risks in all of its activities and operations performed. No other concentration risks are present in the Bank's activities.

#### Market risks

Market risk is the risk of that the changes in market prices, including interest rates, currency rates, the quotations of assets available for sale and assets at fair value through profit or loss, may result in the fluctuations of such fair values of the future cash flows for a certain security and, thus, provide an impact upon the Bank's profits.

Market risks include the trading portfolio interest risk, currency risk, and stock risk.

The Bank's portfolio of marketable securities is primarily composed of government bonds and of the securities of the largest Russian issuers. The trading portfolio of equity instruments is unessential. The value of the securities within the Bank's portfolio is less than 2% of the Bank's assets.

The main method of limiting market risks is maintaining the Bank's open positions within the prescribed limits, ratios, and limitations calculated on the requirement of that the possible financial losses do not exceed the values that may provide a material adverse effect upon the Bank's liquidity level or financial stability. At the same time, the Bank works toward maintaining the balance between the risk profile of its own operations and the returns thereon.

To evaluate currency risk and price risks, the methodology of assessing the value at risk (VaR) is applied in addition to the techniques established by the Bank of Russia.

Market risk, including interest rate, stock and currency rate risks, is managed in the Bank on a permanent basis. The market risk level does not exceed the values acceptable for the Bank

#### Stock risk

Stock risk is the risk of reduction in income and getting losses due to unfavorable changes in the market quotations of the securities acquired by the Bank. The basic method of limiting stock risks is regular (at least quarterly) reviewing the limits on the Bank's investments into securities, based on the issuer's financial status evaluation, as well as on the market status of a specific security. The decisions on reviewing the limits of securities investments are made under the mandatory participation of the Risk Analysis Department and at least once a quarter. The risk management system enables the Bank to change the portfolio investments profile quickly in order not to allow essential losses to arise from the operations with securities. Since the profile of the Bank's portfolio investments is characterized by predominately high-rated market securities, the risks relating to investments into securities are estimated by the Bank as low and not having any material impact on the quality and timeliness of the Bank's discharging its obligations. No essential corrections are expected to be made to the risk level estimation for year 2017.

#### Currency risk

The actual currency risk management is performed in the Bank on a daily basis. In 2016, there were no cases of violating the CB RF limits on open currency positions. In compliance with the requirements of the Bank of Russia, the currency risk level is calculated on a permanent basis. The currency risk level does not exceed the values acceptable for the Bank.

In 2016, operations were primarily performed in three basic currencies: Russian ruble, US dollar, and euro.

#### Interest rate risk

The interest rate risk is managed by forecasting the net interest income of the Bank and through making appropriate corrections of interest rates for resources attracted and allocated, as well as on the basis of pricing and goal-oriented attracting resources, with the purpose of reducing the interest rate gaps, for which the Bank is most interest-rate-risk sensitive. In order to reduce interest rate risks, the Bank emphasizes increasing the terms of attracting deposits and reducing the total cost of resources as the basic priorities in building up the resource basis.

#### Liquidity risk

The Bank's ability to discharge in full and timely its liabilities against its creditors is influenced by the liquidity risk. Liquidity risk occurs due to a partial inconsistency in the terms of calling/discharging balance-sheet assets and liabilities, considering a potential need for funds diversion for the Bank to discharge its liabilities on some off-balance-sheet instruments.

The actual liquidity risks are managed by the Bank's Treasury.

The composition of the Bank's balances was maintained in compliance with all prudential requirements for liquidity ratios under the permanent control of responsible departments and collective organs, which allowed the Bank to discharge its liabilities to creditors in full and timely. The figures of economic standards are sufficient for supporting the normal function of the Bank in the current financial situation. The values of quick liquidity ratio R2, current liquidity ratio R3, and long-term liquidity R4 were within the range of normal values established by the Bank of Russia's Instruction No. 139-I "On the Banks' Prudential Supervision Ratios" dated December 3, 2012, and had sufficient safety provisions.



In order to provide operational control and identify the Bank's actual need for liquidities and the actual payment position of the Treasury, a report on financial results of the preceding day and a financial plan for the current day are prepared on a daily basis. Fulfilling the financial plan and defining the Bank's actions aimed at supporting the liquidity are performed by the Bank's divisions responsible for performing bank operations under the Treasury's control.

Indicators	Minimum/Maximum Admissible Value of the Ratio	As of 1/1/2017	As of 1/1/2016
Quick liquidity ratio, R2	min 15%	67.85%	115.3%
Current liquidity ratio, R3	min 50%	121.29%	119.0%
Long-term liquidity ratio, R4	max 120%	106.50%	80.2%

#### Transaction risks

The Bank regularly and sequentially takes measures aimed at prevention and reduction of risks relating to the possibility of losses resulting from defects in activities – arranged, technologies used, informational systems functioning, or the employees' inadequate actions or faults, or resulting from external events.

In its approach to managing transaction risks, the Bank is guided by the transaction risk management standards in compliance with the requirements of the Basel Committee on Banking Supervision and of the Russian legislation, and with the recommendations of the CB RF. The procedure of transaction risk management in the Bank is governed by its internal regulations that define:

- Goals and objectives of transaction risk management;
- Procedure for taking preventive measures within transaction risk management;
- Delegating the functions and responsibilities within transaction risk management;
- Basics of transaction risk management arrangements;
- Evaluating the transaction risk events;
- Procedure for setting transaction risk limits and controlling over compliance with them; and Disclosing information on transaction risk management.

The most important events bearing transaction risk include: Wrongful acts of third parties; abuses or wrongful acts performed by the Bank's employees or with their participation; violation by the Bank or by its employees the current legislation, including banking, labor, antitrust, and anti money-laundering legislation, and financing terrorism; failure to perform or improper performance of contractual obligations relating to performing banking activities; damage or loss of permanent assets or other tangible assets; breakdown of equipment or information systems; improper organization of its activities, and managerial errors.

Detection of transaction risks is performed in the following areas:

- Detecting the facts of direct losses already happened, such as direct damages, fines, penalties, forfeits and compensations, legal costs, and the loss of or the obvious decrease in the tangible assets values;
- detecting and fixing events bearing indirect losses, such as lost profits, system recovery costs, extra work time expenditures, and the expenditures relating to the protection and recovery of business reputation.

The Analysis and Risk Department evaluates on a monthly basis the transaction risk for the Bank as a whole and its distribution among the Bank's areas of activities, internal processes, information and technological systems and banking products included into those areas. Moreover, for the purpose of monitoring the transaction risk level, a system of transaction risk level indicators – indexes or parameters that are empirically related to the transaction risk level taken by the Bank. For each indicator, the limits (threshold values) are set, which allows detecting the transaction risks relevant to the Bank and control them timely and adequately.

In the framework of detecting the transaction risks, the Bank regularly analyzes the environment to identify the conditions that are able to affect the Bank's activity efficiency: Organizational and technological changes in the banking procedures; changes on legal and regulative requirements for performing banking activities; studying cases caused transaction risks in other lending agencies.

For the purpose of calculating the adequacy ratio, the transaction risk is computed in accordance with Regulation No. 346-II «On Transaction Risk Computation Procedures» dated November 3, 2009. As of January 1, 2017, the transaction risk is equal to RUB 234,625 ths.

The indicator for calculating capital to cover transaction risk represents the sum of net interest income and net non-interest income over the year:	Value
2013	1,282,489
2014	1,550,562
2015	1,859,451
Average sum of net interest income and net non-interest income for calculating transaction risk	1,564,167
Transaction risk exposure	234,625

#### Legal risks

In order to minimize its legal risks, the Bank revises on a timely basis its internal standardization documents according to the requirements of the legislation and normative base of the Russian Federation; it also ensures the Bank's employees' access to electronic bases of legal documents. For the Bank's practices, it studies court practices and prudential measures undertaken by the Bank of Russia towards lending agencies.

#### Reputation risk

The Bank uses the following methods to manage its reputation risk:

- Monitoring mass media and websites popular with the Bank's customers in order to detect negative publications that may impact on the Bank's reputation;
- Monitoring information about the business reputation of the Bank's stockholders and affiliated companies;
- Prompt detecting the internal sources of and initial causes for possible worsening of the Bank's business reputation, and eliminating the same as soon as possible;
- Implementing the corporate culture patterns, as well as business etiquette principles, in the Bank's practices and activities;
- Improving the information disclosure system in order to ensure the due fullness and quality of disclosing any information by the Bank.

In the conditions of the constantly growing number of customers and counterparties, increasing interest in the Bank, we do our best to keep the level of reputation risk at as low level as possible.

#### Country risk

JSCB «Energbank» performs its activities on the territory of the Russian Federation, so it incurs the country risk inherent to the Russian Federation. The credit rating of the Russian Federation confirmed by leading rating agencies:

Rating Agency	Sovereign and credit ratings of invested foreign currencies
Fitch Ratings	BBB-
Standard & Poor's	BB+
Moody's	Ba1

The Bank's earnings that are not related to the Russian Federation are minor, so the Bank does not highly depend on the country risks of other countries. In its risk evaluation and management system, when choosing and monitoring the financial positions of the Bank's foreign counterparties, the Bank considers the country risk factors relating to the activities of the counterparties, such as predictable political climate, stable economic development, high investment potential, and social stability. The Bank's major transactions with its foreign partners are focused on the group of advanced countries with stable economic and political situations. The Bank does not operate in the regions of possible military conflicts or social disruptions.

*The Annual Report was preliminarily approved by the Supervisory Board of JSCB «Energbank» (PJSC) (unnumbered minutes dated April 20, 2017)*

## Audit report

### Audited entity

Full name of the Bank: Joint-Stock Commercial Bank "Energobank" (Public Joint-Stock Company).

Abbreviated name of the bank: JSCB «Energobank» (PJSC).

Location: 13/52 Pushkina str., 420111, Kazan, Russia.

Principle State Registration Number: 1021600000289.

### Auditor

Name: Closed Joint-Stock Company (Russian: ZAO) "Prof-Auditum".

Location: 8 Dostoyevskogo str., 420012, Kazan, Russia

Principle State Registration Number: 1031628221833.

Closely Held Company "Prof-Auditum" is the member of the self-regulatory organization of auditors – the Russian Association of Auditors:

- The primary registration number of the entry on recording the details of the self-regulatory organization of auditors – the Russian Association of Auditors – in the Register of Auditors and Audit Organizations: 10403043761.

### Opinion on Accounting/Financial Report

We audited the attached Annual Report of Joint-Stock Commercial Bank "Energobank" (Public Joint-Stock Company) (hereinafter "the Bank"), represented by the following documents:

1) Balance Sheet (published form) as of January 1, 2017;

2) Profit and Loss Statement (published form) for year 2016;

3) Supplements to the Balance Sheet and to the Profit and Loss Statement:

- Statement of Capital Adequacy, Amount of Reserves for Doubtful Loans and Other Assets (published form) as of January 1, 2017;

- Statutory Ratios and Financial Leverage Index (published form) as of January 1, 2017; and

- Cash Flow Statement (published form) as of January 1, 2017;

4) Explanatory notes on the Annual Report.

### The audited entity's liability for annual accounting/financial reporting

The management of the Joint-Stock Commercial Bank "Energobank" (Public Joint-Stock Company) is liable for the preparation and authenticity of this annual report in accordance with the accounting principles established in the Russian Federation, as well as for the internal audit system necessary for preparing the reports containing no material misstatements resulting from fraud or error.

### Auditor's liability

Our liability consists in expressing our opinion regarding the authenticity of accounting/financial reports on the basis of the audit we have performed.

We performed our audit in accordance with the federal auditing standards being in effect in the Russian Federation. These standards require the compliance with the applicable ethical norms, as well as planning and performing the audit in such a manner that we could be adequately sure of the accounting/financial reports having no material misstatements.

The audit included performing audit procedures aimed at obtaining the audit evidence confirming the figures and the disclosure of information in the accounting/financial reports.

The choice of audit procedures is the subject of our opinion based on our evaluation of the risk of material misstatements resulting from fraud or errors. In evaluating this risk, we considered the internal audit system providing the preparation and authenticity of accounting/financial reports for the purpose of choosing the relevant audit procedures, but not for the purpose of expressing our opinion regarding the efficiency of the internal audit system.

The audit also included the evaluation of the due nature of the accounting policies applied and of the justification of estimated figures obtained by the Bank's management, as well as the evaluation of the general presentation of the accounting/financial reports.

We suppose the audit evidence obtained during our auditing provide sufficient reasons for expressing our opinion regarding the authenticity of the annual accounting/financial reports.

### Auditor's opinion

In our opinion, the Annual Report, in all material respects, authentically gives the financial position of the Joint-Stock Commercial Bank "Energobank" (Public Joint-Stock Company) as of January 1, 2017, its financial and operating results and cash flows over 2016 in compliance with the accounting principles established in the Russian Federation.

### Audit report in compliance with the requirements of Federal Law No. 395-1 "On Banks and Banking Activities" dated December 2, 1990.

The management of Joint-Stock commercial Bank «Energobank» (Public Joint-Stock company) is liable for the Bank's compliance with the statutory ratios established by the Bank of Russia, as well as for the compliance of the Bank's internal control and 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 over year 2016, we audited the following:

1) The Bank's compliance with the statutory ratios established by the Bank of Russia, as of January 1, 2017;

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 managements 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;

- The sequences of how the Bank applies the methods of managing the risks critical to the Bank and evaluating their efficiency;

- 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, 2017, 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, 2017, the financial results of its activities, and its cash flow for year 2016 in compliance with the Russian accounting principles to be used by lending agencies in their annual accounting/financial reports.

#### 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 December 31, 2016, 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 found that the Bank's internal documents effective as of December 31, 2016, and setting the methods of identifying and managing credit, operational, market, legal, reputation and liquidity 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 December 31, 2016, the Bank had a reporting system on credit, operational, market, interest-rate, legal, liquidity and reputation 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 2016 regarding managing the credit, operational, market, interest-rate, legal, liquidity and reputation 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.

2.4. We should also note that, as of December 31, 2016, 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 control over the efficiency of the risk management procedures and the sequences of their applying in 2016, the Bank's Supervisory Board and executive management bodies discussed on a regular basis the reports prepared by the Bank's risk management departments and by the Internal Audit Service, and they also evaluated the corrective actions proposed.

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.

Deputy Director General  
ZAO "Prof-Auditum"

\_\_\_\_\_/N.Yu. Tuzankina/

#### Auditor Qualification Certificate

No. 05-000251 issued in accordance with the resolution of the self-regulatory organization – Non-Commercial Partnership "Rossiyskaya Kollegiya auditorov" (Russian Collegium of Auditors) on November 29, 2012, No. 47, Principal Number of Registration Entry (ORNZ) 21703012031

April 26, 2017

## Balance Sheet

Published Form as of January 1, 2017

Lending agency: Joint-Stock Commercial Bank "EnergoBank" Public Joint-Stock Company (JSCB "EnergoBank" (PJSC))

Mailing address: 13/52 Pushkina str., 420111, Kazan, Russia

Form code: 0409806

Quarterly/yearly  
in RUB ths

Line Number	Item	Data as of the Reporting Date	Data as of the Relevant Reporting Date of the Prior Year
<b>I. ASSETS</b>			
1	Monetary funds	348,729	439,121
2	Lending agencies' funds in the Central Bank of the Russian Federation	652,864	384,925
2.1	Mandatory provisions	149,569	108,380
3	Funds in lending institutions	887,741	2,144,458
4	Financial assets assessed at their fair value through profit or loss	2,314	5,272
5	Net lending receivables	13,111,793	11,881,349
6	Net investments into securities and other financial assets available for sale	283,075	392,343
6.1	Investments into branch and related entities	0	0
7	Net investments into securities held to mature	0	0
8	Current income tax liability	9,571	0
9	Deferred tax asset	6,083	15,458
10	Permanent, intangible and tangible assets	207,305	135,068
11	Non-current assets held for sale	0	0
12	Other assets	621,930	472,646
13	Total assets	16,131,405	15,870,640
<b>II. LIABILITIES</b>			
14	Credits, deposits and other funds of the Central Bank of the Russian Federation	0	0
15	Funds held for lending agencies	0	0
16	Funds held for customers that are not lending agencies	11,940,910	11,823,399
16.1	Deposits/funds held for individuals or private entrepreneurs	6,559,314	6,094,824
17	Financial liabilities assessed at their fair value through profit or loss	0	0
18	Certified debts	288,150	358,637
19	Current income tax liability	56,872	49,074
20	Deferred tax liability	0	0
21	Other liabilities	122,399	224,060
22	Loss provisions on contingent credit liabilities, on other possible losses and operations with offshore residents	12,847	2,998
23	Total liabilities	12,421,178	12,458,168
<b>III. SOURCES OF OWN FUNDS</b>			
24	Funds held for stockholders/participants	2,137,400	2,137,400
25	Repurchased stock/shares	0	0
26	Share premium reserve	0	0
27	Contingency fund	899,000	876,378
28	Mark to market valuation of securities available for sale, decreased by the deferred tax liability or increased by the deferred tax asset	8,859	3,747
29	Fixed assets revaluation decreased by the deferred tax liability	39,255	39,384
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	Undistributed profits / outstanding losses of prior years	224,483	0

34	Unutilized profits/losses within the reporting period	401,230	355,563
35	Total sources of own funds	3,710,227	3,412,472
<b>IV. OFF-BALANCE SHEET COMMITMENTS</b>			
36	Irrevocable commitments of the lending agency	2,631,239	898,437
37	Guarantees and letters of comfort issued by the lending agency	253,255	397,005
38	Non-credit contingent commitments	0	0

## Profit and Loss Statement

Published Form for Year 2016

Lending agency: Joint-Stock Commercial Bank "EnergoBank" Public Joint-Stock Company (JSCB "EnergoBank" (PJSC))

Mailing address: 13/52 Pushkina str., 420111, Kazan, Russia

Form code: 0409807

Quarterly/yearly  
in RUB ths

Line Number	Наименование статьи	Data for the Reporting Period	Data for the Relevant Period of the Prior Year
1	Interest income, total, including that received from:	2,441,963	2,317,986
1.1	investment of funds in lending agencies	121,480	3,729
1.2	loans granted to customers that are not lending agencies	2,286,767	2,281,220
1.3	providing finance lease services		
1.4	investments in securities	33,716	33,037
2	Interest expenses, total, including those incurred on:	984,018	891,584
2.1	funds raised from lending agencies	2,141	3,807
2.2	funds raised from customers that are not lending agencies	971,092	878,444
2.3	certified debts	10,785	9,333
3	Net interest income (negative interest margin)	1,457,945	1,426,402
4	Changing the provisions regarding loans, lending receivables and other similar receivables, monies held on correspondent accounts, as well as accrued interest income, total, including:	-664,475	-527,076
4.1	changing the provisions for possible losses on interest income accrued	-7,236	1,514
5	Net interest income (negative interest margin) upon creating a provision for possible losses	793,470	899,326
6	Net earnings from operations with financial assets assessed at their fair value through profit or loss	706	631
7	Net earnings from operations with financial assets assessed at their fair value through profit or loss		
8	Net earnings from operations with securities available for sale	1,471	2,170
9	Net earnings from operations with securities held to maturity		
10	Net earnings from operations with foreign currencies	-56,286	-427,574
11	Net earnings from revaluation of foreign currency	98,044	276,805
12	Net earnings from operations with precious metals		
13	Income from participation in other legal entities' capitals	1,399	1,400
14	Commission earnings	178,429	166,438
15	Commission expenses	28,000	21,329
16	Change in the provision for possible losses on securities available for sale	297	-297
17	Change in the provision for possible losses on securities held to maturity		
18	Change in the provision for other losses	-10,459	-232
19	Other operating earnings	57,955	12,910
20	Net earnings/expenses	1,037,026	910,248

21	Operating expenses	515,383	451,002
22	Pretax profit (loss)	521,643	459,246
23	Tax refunds/expenses	120,413	103,683
24	Income/loss from continuing operations	401,230	355,563
25	Income/loss from ceased operations		
26	Profits/losses within the reporting period	401,230	355,563

## Statement of the Risk-Based Capital Adequacy and of the Amount of Reserves for Doubtful Loans and Other Assets

Published Form as of January 1, 2017

Lending agency: Joint-Stock Commercial Bank "Energobank" Public Joint-Stock Company (JSCB "Energobank" (PJSC))

Mailing address: 13/52 Pushkina str., 420111, Kazan, Russia

Form code: 0409808

Quarterly/yearly

### Section 1. DATA ON CAPITAL ADEQUACY LEVEL

Line Number	Instrument/Indicator Name	Instrument Cost / Indicator Value as of the Reporting Date		Instrument Cost / Indicator Value as of the Beginning of the Reporting Year
		to be included in the capital calculations		to be included in the capital calculations
Sources of the core capital				
1	Authorized capital, total, including that formed by:	2,137,400	0	2,137,400
1.1	Ordinary equity (shares)	2,137,400	0	2,137,400
1.2	Preferred shares		0	
2	Undistributed profit/loss:	221,374	0	
2.1	of prior years	221,374	0	
2.2	of the reporting year			
3	Contingency fund	899,000	22,622	876,378
4	The authorized capital shares to be on a step-by-step basis excluded from calculating the capital base	not applicable		not applicable
5	Subsidiaries' capital base instruments owned by third parties	not applicable		not applicable
6	Sources of the core capital, in total: (Line 1 +/- Line 2 + Line 3 - Line 4 + Line 5)	3,257,774	243,996	3,013,778
Items decreasing the sources of the core capital				
7	Corrections of trade portfolio	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	33,476	33,468	8
10	Deferred tax assets depending on income receivable	64	37	27
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			
17	Crossholding of shares	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 indicators reducing the core capital sources set by the Bank of Russia, total, including:			
26.1	indicators to be on a step-by-step basis excluded from calculating the capital base			
27	Negative amount of the additional capital	8,369	8,356	13
28	Items reducing the sources of the core capital, total: (Sum of Lines 7 through 22 and Lines 26 and 27)	41,909	41,861	48
29	Core capital, total: (Line 6 - Line 28)	3,215,865	202,135	3,013,730
Sources of additional capital				
30	Additional capital instruments and capital paid-in in excess of par value, total, including:			
31	classified as capital			
32	classified as liabilities			
33	The additional capital instruments to be on a step-by-step basis excluded from calculating the capital base			
34	Subsidiaries' additional capital instruments owned by third parties, total, including:	not applicable		not applicable
35	Subsidiaries' additional capital instruments to be on a step-by-step basis excluded from calculating the capital base			
36	Sources of the additional capital, in total: (Line 30 + Line 33 + Line 34)			
Items decreasing the sources of the additional capital				
37	Investments into own instruments of additional capital			
38	Crossholding of additional capital instruments	not applicable		not applicable
39	Insignificant investments into the additional capital instruments of financial institutions			
40	Substantial investments into the additional capital instruments of financial institutions			
41	Other indicators reducing the additional capital sources set by the Bank of Russia, total, including:	8,369	8,356	13

41.1	Indicators to be on a step-by-step basis excluded from calculating the capital base, total, of them:	8,369	8,356	13
41.1.1	intangible assets	8,369	8,356	13
41.1.2	Repurchased stock/shares			
41.1.3	shares of resident subsidiary and related financial institutions and lending agencies			
41.1.4	base capital sources, for forming which improper assets have been used			
41.1.5	the negative value of the paid-in capital in excess of par, formed due to correcting the value of the capital base by the sum of the sources of the paid-in capital in excess of par, formed from improper assets used by investors			
42	Negative value of the paid-in capital in excess of par			
43	Items reducing the sources of the additional capital, total: (sum of Lines from 37 through 42)	8,369	8,356	13
44	Additional capital, total: (Line 36 – Line 43)			
45	Equity, total: (Line 29 + Line 44)	3,215,865	202,135	3,013,730
Sources of the paid-in capital in excess of par				
46	Instruments of and income from the paid-in capital in excess of par	881,290	-108,299	989,589
47	The instruments of capital paid-in in excess of par value to be on a step-by-step basis excluded from calculating the capital base			
48	Subsidiaries' instruments of paid-in capital in excess of par, 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 capital base			
50	Provisions for possible losses	not applicable		not applicable
51	Sources of the paid-in capital in excess of par, in total: (Line 46 + Line 47 + Line 48 + Line 50)	881,290	-108,299	989,589
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			
53	Crossholding of the instruments of paid-in capital in excess of par	not applicable		not applicable
54	Insignificant investments into the instruments of paid-in capital in excess of par of financial institutions			
55	Substantial investments into the instruments of paid-in capital in excess of par of financial institutions			
56	Other indicators reducing the sources of paid-in capital in excess of par, set by the Bank of Russia, total, including:			
56.1	Indicators to be on a step-by-step basis excluded from calculating the capital base, total, of them:			
56.1.1	capital sources, for forming which improper assets have been used by investors			
56.1.2	receivables overdue longer than 30 calendar days			
56.1.3	subordinated loans granted to resident lending agencies			

56.1.4	exceeding by the total amount of loans, bank guarantees, and sureties granted to its own shareholders and insiders over its maximum amount			
56.1.5	investments into constructing and purchasing fixed assets and supplies			
56.1.6	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 the paid-in capital in excess of par, total: (sum of Lines from 52 through 56)			
58	Paid-in capital in excess of par, total: (Line 51 – Line 57)	881,290	-108,299	989,589
59	Base capital, total: (Line 45 + Line 58)	4,097,155	93,836	4,003,319
60	Assets weighed by their risk levels:	X		X
60.1	to be on a step-by-step basis excluded from calculating the capital base	0		0
60.2	necessary to estimate the core capital adequacy	9,809,009	1,547,163	8,261,846
60.3	necessary to estimate the fixed capital adequacy	9,792,271	1,530,438	8,261,833
60.4	necessary to estimate the base capital adequacy	9,792,271	1,530,438	8,261,833
Base capital adequacy ratios and buffers for base capital ratios, percentage				
61	Core capital adequacy (Line 29/Line 60.2)	32.7848	x	36.4777
62	Fixed capital adequacy (Line 45/Line 60.3)	32.8408	x	36.4777
63	Base capital adequacy (Line 59/Line 60.4)	41.8407	x	48.4556
64	Buffers for base capital adequacy ratios, total, including:	not applicable		not applicable
65	capital conservation buffer	not applicable		not applicable
66	countercyclical buffer	not applicable		not applicable
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	not applicable		not applicable
Base capital adequacy ratios, percentage				
69	Core capital adequacy ratio	18.1700	x	16.5000
70	Fixed capital adequacy ratio	18.1900	x	16.5000
71	Base capital adequacy ratio	23.1700	x	21.9200
Indicators taken to reduce the capital sources and not exceeding the established materiality thresholds				
72	Insignificant investments into the capital instruments of financial institutions			
73	Substantial investments into the capital instruments of financial institutions			
74	Mortgage service rights	not applicable	not applicable	
75	Deferred tax assets non-depending on income receivable			
Restrictions on including the provisions for possible losses into the calculations of 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 additional capital 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 additional capital 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			

**Section 2. DATA ON THE AMOUNTS OF CREDIT, TRANSACTION AND MARKET RISKS COVERED BY THE CAPITAL**

**Subsection 2.1. Credit risk when using the standardized approach**

Line Number	Item	Data as of the Reporting Date			Data as of the Beginning of the Reporting Year		
		Value of Assets/ Instruments Assessed under the Standardized Approach	Assets/ Instruments Less Provisions for Possible Losses	Value of Assets/ Instruments Weighted according to the Risk Level	Value of Assets/ Instruments Assessed under the Standardized Approach	Assets/ Instruments Less Provisions for Possible Losses	Value of Assets/ Instruments Weighted according to the Risk Level
1	Credit risk on assets posted to balance accounts	14,635,205	12,123,603	9,792,271	11,428,994	9,506,092	8,261,833
1.1	Assets with the risk ratio of <1> 0 %, total,	1,191,242	1,191,242		1,349,312	1,349,312	
1.1.1	monetary funds and mandatory cash balances with the Bank of Russia	1,001,593	1,001,593		824,046	824,046	
1.1.2	credit requirements and other requirements guaranteed by the Russian Federation, by the Ministry of Finance of Russia, and by the Bank of Russia, as well as by the pledge of governmental debt securities of the Russian Federation, the Ministry of Finance of Russia, and the Bank of Russia						
1.1.3	credit requirements and other requirements to central banks or governments having the country risk ratings of "0", "1", <2>, including those guaranteed by those countries						

1.2	Assets with the risk ratio of 20 %, total,	1,425,112	1,425,112	285,022	525,266	525,266	105,053
1.2.1	credit requirements and other requirements to the constituent entities of the Russian Federation, municipal structures, and other organizations, guaranteed and pledged by the securities of the constituent entities of Russia and municipal structures						
1.2.2	credit requirements and other requirements to central banks or governments having the country risk rating of "2", including those guaranteed by them (pledged by securities)						
1.2.3	credit requirements and other requirements to lending agencies domiciled in the countries with the country risk ratings of "0" or "1", having the rating of long-term solvency <3>, including those guaranteed by them						
1.3	Assets with the risk ratio of 50 %, total,						
1.3.1	credit requirements and other requirements in foreign currencies, guaranteed by the Russian Federation, by the Ministry of Finance of Russia, and by the Bank of Russia and pledged by the governmental debt securities of the Russian Federation, the Ministry of Finance of Russia, and the Bank of Russia, denominated						
1.3.2	credit requirements and other requirements to central banks or governments having the country risk rating of "3", including those guaranteed by them (pledged by securities)						
1.3.3	credit requirements and other requirements to lending agencies domiciled in the countries with the country risk ratings of "0" or "1", not having the rating of long-term solvency, and to those domiciled in the countries with the country risk rating of "2", including those guaranteed by them						
1.4	Assets with the risk ratio of 100 %, total,	12,018,851	9,507,249	9,507,249	100,779,682	8,156,780	8,156,780
1.4.1	Loans and loan or loan-equivalent indebtedness	10,088,343	7,577,422	7,577,422	7,604,401	5,682,658	5,682,658
1.4.2	Correspondent accounts	872,731	872,720	872,720	1,978,676	1,978,669	1,978,669
1.4.3	Securities	383,476	96,326	96,326	182,803	182,506	182,506
1.5	Assets with the risk ratio of 150% – credit requirements and other requirements to central banks or governments having the country risk rating of "7"						
2	Assets with other risk ratios, total, including:	X	X	X	X	X	X
2.1	with lower risk ratios, total, including:						
2.1.1	mortgage loans with the risk ratio of 70%						

2.1.2	mortgage loans with the risk ratio of 70%						
2.1.3	clearing members' requirements						
2.2	with higher risk ratios, total, including:	7,966,732	4,221,021	4,873,055	9,748,510	6,095,238	6,866,140
2.2.1	with the risk ratio of 110%	7,462,547	3,911,513	4,302,664	9,544,889	5,954,453	6,549,898
2.2.2	with the risk ratio of 130%	31,838	19,361	25,169	33,437	26,852	34,908
2.2.3	with the risk ratio of 150%	462,347	280,147	420,222	241,719	167,519	251,279
2.2.4	with the risk ratio of 250%						
2.2.5	with the risk ratio of 1250 %, total, including:	10,000	10,000	125,000	10,000	10,000	125,000
2.2.5.1	on assignments of pecuniary claims to mortgage agents or specialized societies, including the claims certified by mortgages						
3	Consumer credits, total, including:	135	122	171	92	89	125
3.1	with the risk ratio of 140%	135	122	171	92	89	125
3.2	with the risk ratio of 170%						
3.3	with the risk ratio of 200%						
3.4	with the risk ratio of 300%						
3.5	with the risk ratio of 600%						
4	Credit risk on loan contingent liabilities, total,	275,135	262,288	254,271	418,773	415,775	413,471
4.1	for financial instruments with a high risk	253,255	243,311	244,460	397,005	397,005	403,905
4.2	for financial instruments with a medium risk	21,880	18,977	9,811	21,768	18,770	9,566
4.3	for financial instruments with a low risk						
4.4	for financial instruments without risk						
5	Credit risk on derivatives						

**Subsection 2.1.1. Credit risk when applying the approach based on internal ratings**

Line Number	Item	Data as of the Reporting Date		Data as of the Beginning of the Reporting Year		Данные на начало отчетного года	
		Value of Assets/ Instruments Assessed by the Approach Based on Internal Ratings	Assets/ Instruments Less Provisions for Possible Losses	Total Credit Risk	Value of Assets/ Instruments Assessed by the Approach Based on Internal Ratings	Assets/ Instruments Less Provisions for Possible Losses	Total Credit Risk
1	Credit risk calculated using the basic approach based on internal ratings						

2	Credit risk calculated using the advanced approach based on internal ratings						
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**Subsection 2.2. Transaction risk**

RUB ths (amount)

Line Number	Item	Data as of the Reporting Date	Data as of the Beginning of the Reporting Year
6	Transaction risk, total, including:	234,625	213,063
6.1	Earnings for calculating the capital to cover the transaction risk, total,	4,692,502	4,261,259
6.1.1	net interest earnings	3,829,214	3,693,995
6.1.2	net non-interest earnings	863,288	567,264
3	Number of years preceding the date of calculating the level of the transaction risk	3	3

**Подраздел 2.3. Рыночный риск**

Line Number	Item	Data as of the Reporting Date	Data as of the Beginning of the Reporting Year
7	Aggregated market risk, total, including:	4,625	56,050
7.1	interest risk, total, including:	0	3,804
7.1.1	common	0	210
7.1.2	special	0	3,594
7.1.3	gamma risk and vega risk on options included into calculating the interest risk	0	0
7.2	stock market risk, total, including:	370	680
7.2.1	common	185	258
7.2.2	special	185	422
7.2.3	gamma risk and vega risk on options included into calculating the stock market risk	0	0
7.3	currency risk, total, including:	0	0
7.3.1	gamma risk and vega risk on options included into calculating the currency risk	0	0
7.4	commodities risk, total, including:	0	0
7.4.1	primary commodities risk	0	0
7.4.2	additional commodities risk	0	0
7.4.3	gamma risk and vega risk on options included into calculating the commodities risk	0	0

**Section 3. INFORMATION ON THE RESERVES FOR DOUBTFUL LOANS OR OTHER ASSETS**

RUB ths

Номер строки	Item	Data as of the Reporting Date	Increase (+) / Decrease (-) over the Reporting Period	Data as of the Beginning of the Reporting Year
1	Actually created provisions for possible losses, total,	6,270,625	673,093	5,597,532
1.1	on loans and loan or loan-equivalent indebtedness	6,251,266	663,011	5,588,255
1.2	on other balance assets, for which there is a risk of losses, and on other losses	6,512	233	6,280
1.3	on credit-based contingent liabilities and securities, the rights to which are certified by depository institutions that do not meet the requirements of the Bank of Russia, posted to non-balance accounts	12,847	9,849	2,998
1.4	for operations with the residents of offshore zones	0	0	0

**Section 4. INFORMATION ON THE FINANCIAL LEVERAGE INDEX**

Line Number	Item	Value as of the Reporting Date	Value as of the Date a Quarter Prior to the Reporting Date	Value as of the Date Two Quarters Prior to the Reporting Date	Value as of the Date Three Quarters Prior to the Reporting Date
		Jan. 1, 2017	Oct. 1, 2016	Jul. 1, 2016	Apr. 1, 2016
1	Fixed capital, RUB ths	3,215,865	3,233,958	3,234,508	2,989,338
2	Amount of balance-sheet assets and off-balance sheet liabilities under risk for calculating the financial leverage index, RUB ths	16,222,883	16,724,708	16,490,527	16,237,970
3	Financial leverage index under Basel III, percentage	19.8	19.3	20.0	18.0

**Section 5. KEY FEATURES OF CAPITAL INSTRUMENTS**

Line Number	Instrument Feature	Instrument Feature Description	Instrument Feature Description	Instrument Feature Description
1	Abbreviated Brand Name of the Capital Instrument Issuer	JSCB "Energbank" (PJSC)	OAO "Edelveis Group"	OAO "Edelveis Group"
2	Instrument Identification Number	102000678B	not applicable	not applicable
3	Applicable law	Russia	Russia	Russia
	Regulatory environment			

4	Capital level, into which the instrument is included during Basel III transition period	not applicable	not applicable	not applicable
5	Capital level, into which the instrument is included upon completion of Basel III transition period	core capital	additional capital	additional capital
6	Consolidation level, at which the instrument is included into the capital	not applicable	not applicable	not applicable
7	Instrument Type	ordinary shares	subordinated credit/deposit/loan	subordinated credit/deposit/loan
8	Instrument value included into calculating the capital	2,137,400	320,000	180,000
9	Nominal Instrument Value	2,137,400	320,000	180,000
10	Instrument Classification for Accounting Purposes	Equity	liability accounted at its depreciated value	liability accounted at its depreciated value
11	Instrument Issuing/Raising/Placing Date	Mar., 2001	Jul. 27, 2010	Dec. 17, 2010
12	Instrument Time, if any	indefinite	fixed	fixed
13	Instrument Repayment Date	without limitations on duration	Apr. 21, 2021	Dec. 17, 2021
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
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
16	Subsequent date(s) of executing the right to the early redemption of / repayment for the instrument	not applicable	not applicable	not applicable
	Interests/dividends/coupon profits			
17	Instrument Rate Type	not applicable	fixed rate	fixed rate
18	Rate	not applicable	6.80	6.80
19	Conditions for ceasing to pay dividends on ordinary shares	not applicable	not applicable	not applicable
20	Mandatory payment of dividends	in full, at the discretion of the parent lending agency and/or the participant of the banking group	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
22	Nature of payments	non-cumulative	non-cumulative	Non-cumulative
23	Instrument convertibility	non-convertible	non-convertible	Non-convertible
24	Conditions, under which the instrument is converted	not applicable	not applicable	not applicable



25	Full or partial conversion	not applicable	not applicable	not applicable
26	Conversion rate	not applicable	not applicable	not applicable
27	Mandatory conversion	not applicable	not applicable	not applicable
28	The level of the capital, into the instrument of which the given instrument is converted	not applicable	not applicable	not applicable
29	Abbreviated brand name of the issuer of the instrument, into which the given instrument is converted	not applicable	not applicable	not applicable
30	Possibility to charge the instrument to covering losses	not applicable	yes	Yes
31	Conditions, under which the instrument is charged	not applicable	R1.0 reduced by less than 2%	R1.0 reduced by less than 2%
32	Full or partial charging	not applicable	in full or in part	in full or in part
33	Permanent or temporary charging	not applicable	permanent	permanent
34	Recovery mechanism	not applicable	not applicable	not applicable
35	Subordination of the instrument	not applicable	not applicable	not applicable
36	Compliance with the requirements of Regulations No. 395-P and Order No. 3090-U of the Bank of Russia	yes	yes	Yes
37	Description of inconsistencies	not applicable	not applicable	not applicable

**Section "FOR REFERENCE"**

**Information on the flow of provisions for potential losses on loans and on loan and loan-equivalent indebtedness.**

1. Creation/supplementing of the provisions within the reporting period (RUB ths),		
total	8,986,896	, including those resulting from:
	1.1. Lending	5,861,371
	1.2. Loan quality changes	3,028,720
	1.3. Changes in the official foreign exchange rates against the Russian ruble, established by the Bank of Russia	0
	1.4. Other reasons	96,805
2. Recovery of/decrease in the provisions within the reporting period (RUB ths),		
total	8,323,885	, including those resulting from:
	2.1. Bad loan writes-off	1,461
	2.2. Loan repayments	5,143,251
	2.3. Loan quality changes	3,086,479
	2.4. Changes in the official foreign exchange rates against the Russian ruble, established by the Bank of Russia	0
	2.5. Other reasons	92,694

**Statutory Ratios**

Lending agency: Joint-Stock Commercial Bank "Energobank" Public Joint-Stock Company (JSCB "Energobank" (PJSC))  
Mailing address: 13/52 Pushkina str., 420111, Kazan, Russia.

Form code: 0409813  
Quarterly/yearly  
in a percentage

\*The minimum value of the ratio of maximum credit risk per borrower or per a group of associated borrowers (R6) is: 0.04% as of January 1, 2017 and 0.1% as of January 1, 2016

Line Number	Item	Standard Value	Actual Value			
			as of the reporting date		as of the beginning of the reporting year	
1	Core capital adequacy ratio of a bank (R1.1) and a banking group (R20.1)	4.5	18.2		16.5	
2	Fixed capital adequacy ratio of a bank (R1.2) and a banking group (R20.2)	6	18.2		16.5	
3	Base capital adequacy ratio of a bank (R1.0) and a banking group (R20.0)	8	23.2		21.9	
4	McDonough ratio of a nonbanking lending agency having the right to transfer monetary assets without opening bank accounts or other banking operations relating thereto (R1.3)	0	0		0	
5	Bank's quick liquidity ratio (R2)	15	67.9		115.3	
6	Bank's current liquidity ratio (R3)	50	121.3		119	
7	Long-term liquidity ratio (R4)	120	106.5		80.3	
8	Ratio of maximum credit risk per borrower or per a group of associated borrowers (R6)	25	maximum	14.4	maximum	14.8
			minimum	0.0	minimum	0.1

River Kama



9	Ratio of the maximum size of large credit risks of a bank (R7) or a banking group (R22)	800	162.9	151.3
10	Ratio of maximum amounts of credits, bank guarantees and sureties granted by the bank to its shareholders (R9.1)	50	0.1	0.7
11	Ratio of aggregate risks relating to the bank's insiders (R10.1)	3	0.5	0.5
12	Ratio of usage of the bank's base capital to acquire shares in other legal entities (R12), ratio of using the base capital of a banking group for acquiring by the parent company of a banking group or by the shareholders of a banking group the shares in other legal entities (R23)	0	0	0
13	Ratio of aggregate floating assets expiring within the nearest 30 calendar days to the Non-Bank Settlement and Credit Authority's exposure (R15)	0	0	0
14	Liquidity ratio of a nonbanking lending agency that is entitled to transfer monetary assets without opening bank accounts and other banking operations relating thereto (R15.1)	0	0	0
15	Ratio of maximum aggregate credits granted to customers (settlement participants) as of settlements closing (R16)	0	0	0
16	Ratio of Bank Settlement and Credit Authority's granting credits to borrowers, other than settlement participants, on its behalf and for its own account (R16.1)	0	0	0
17	Minimum ratio between the mortgage-backing size and the volume of mortgage-backed bonds issued (R18)	0	0	0
18	Ratio of maximum risk per borrower or per a group of associated borrowers (R21)	0	0	0

## Section 2. INFORMATION ON CALCULATING THE FINANCIAL LEVERAGE INDEX

### Subsection 2.1. Calculating the amount of balance-sheet assets and off-balance sheet liabilities under risk for calculating the financial leverage index

RUB ths

Line Number	Item	Amount
1	Amount of assets in accordance with the balance sheet (published form), in total:	16,131,405
2	Correction regarding investments into the capitals of lending, financial, insurance and other companies, the reporting data of which are included into the consolidated financial reports, but are not included into calculating the amount of own funds (capital), statutory ratios, and amounts/limits of the open positions of the banking group	not applicable for the reports of a lending agency as a legal entity
3	Correction regarding fiduciary assets present in accordance with the accounting rules, but not included into calculating the financial leverage index	0
4	Correction regarding derivatives (DFIs)	0
5	Correction regarding securities lending and borrowing	0
6	Correction regarding leveling credit-related contingency to the credit equivalent	252,799
7	Other corrections	247,470
8	Amount of balance-sheet assets and off-balance sheet liabilities under risk considering corrections for calculating the financial leverage index, in total:	16,136,734

### Subsection 2.2. Calculating the financial leverage index

RUB ths

Line Number	Item	Amount
Risk on balance-sheet assets		
1	Amount of balance-sheet assets, in total:	16,015,102
2	A reducing correction for the sum of indicators taken to reduce the amount of the fixed capital sources	45,018
3	Amount of balance-sheet assets under risk considering the correction (difference of lines 1 and 2), in total:	15,970,084
Risk on operations with DFIs		
4	Current credit risk on operations with DFIs	0
5	(minus the variation margin obtained), in total:	0
6	Correction by the nominal amount of the collateral pledged for DFI operations, to be written off in accordance with the accounting rules	not applicable in accordance with the accounting rules
7	A reducing correction for the amount of the variation margin transferred, to the extent applicable	0
8	Correction regarding the requirements of the bank participating in clearing for the central counterparty on performing the customers' transactions	0
9	Correction for accounting the credit risk regarding the basis (core) asset on the credit DFIs issued	0
10	A reducing correction regarding the credit DFIs issued	0
11	Risk value on DFIs considering the corrections (sum of lines 4, 5, and 9, minus lines 7, 8, and 10), in total:	0
Risk on securities lending operations		
12	Requirements for securities lending operations, excluding netting, in total:	0
13	Correction by the netting amount of the cash element (of requirements and liabilities) for securities lending operations	0
14	Credit risk value per counterparty for securities lending operations	0
15	Risk value for warranty securities lending operations	0
16	Requirements for securities lending operations considering the corrections (sum of lines 12, 14, and 15, minus line 13), in total:	0
Risk on credit-related contingency (CRC risk)		
17	Nominal risk value for credit-related contingency (CRC), in total:	262,288
18	Correction regarding credit equivalent ratios	9,489
19	Credit-related contingency (CRC) risk value considering the corrections (difference of lines 17 and 18), in total:	252,799
Capital and risks		
20	Core capital	3,215,865
21	Amount of balance-sheet assets and off-balance sheet liabilities under risk for calculating the financial leverage index (sum of lines 3, 11, 16, and 19), in total:	16,222,883
Financial leverage index		
22	Basel III financial leverage index (line 20 / line 21), a percentage	19.8

## Statement of Cash Flows

Published Form as of January 1, 2017

Lending agency: Joint-Stock Commercial Bank "EnergoBank" Public Joint-Stock Company (JSCB "EnergoBank" (PJSC))

Mailing address: 13/32 Pushkina str., 420111, Kazan, Russia

Form code: 0409814

Quarterly/yearly

RUB ths

Line Number	Items	Cash Flows within the Reporting Period	Cash Flows within the Relevant Preceding Reporting Period
1	Net cash accruals received from or used in operating activities		
1.1	Cash accruals received from or used in operating activities prior to changes made in operating assets and liabilities, in total, including:	1,018,878	684,305
1.1.1	Interest received	2,436,494	2,319,966
1.1.2	interest paid	-987,616	-870,963
1.1.3	commissions received	178,429	166,438
1.1.4	Commissions received	-28,000	-21,329
1.1.5	Gains less losses from operations with financial assets assessed at their fair value through profit or loss, available for sale	-5,155	10,998
1.1.6	Gains less losses from operations with securities held to maturity	0	0
1.1.7	Gains less losses from operations with foreign currencies	-56,286	-427,574
1.1.8	Other operating earnings	76,359	7,395
1.1.9	Operating expenses	-476,030	-378,439
1.1.10	tax expenses/compensations	-119,317	-122,187
1.2	Increase / decrease of net cash from operating assets and liabilities, in total, including:	-2,862,138	1,191,664
1.2.1	net increase / decrease on contingency funds on the accounts at the Bank of Russia	-41,189	-1,200
1.2.2	net increase / decrease on investments into securities assessed at their fair value through profit or loss	2,821	-10,393
1.2.3	net increase / decrease on outstanding loans	-1,891,160	-225,924
1.2.4	net increase / decrease on other assets	-557,523	830,114
1.2.5	net increase / decrease on credits, deposits and other funds of the Bank of Russia	0	0
1.2.6	net increase / decrease on the funds of other lending agencies	0	0
1.2.7	net increase / decrease on the funds of customers (non-credit entities)	-116,015	212,204
1.2.8	net increase / decrease on financial liabilities assessed at their fair value through profit or loss	0	0
1.2.9	net increase / decrease on issued debentures	-141,975	384,184
1.2.10	net increase / decrease on other liabilities	-117,097	2,679
1.3	Total for section 1 (item 1.1 + item 1.2)	-1,843,260	1,875,969
2	Net cash accruals received from or used in investing activities		
2.1	Acquiring securities or other financial assets classified as "available for sale"	9,359	3,027
2.2	Revenues from selling and redeeming securities or other financial assets classified as "available for sale"	116,369	99,768

2.3	Acquiring securities classified as "hold to maturity"	0	0
2.4	Revenues from redeeming the securities classified as "hold to maturity"	0	0
2.5	Acquiring permanent, intangible and tangible assets	-95,017	-29,274
2.6	Revenues from selling permanent, intangible and tangible assets	4,437	2,132
2.7	Dividends received	0	0
2.8	Total for section 2 (sum of items 2.1 through 2.7)	35,148	75,653
3	Net cash accruals received from or used in financial activities		
3.1	Stockholders' (participants') contributions to the authorized capital	0	0
3.2	Acquiring own shares repurchased from stockholders (participants)	0	0
3.3	Selling own shares repurchased from stockholders (participants)	0	0
3.4	Dividends paid	-106,861	0
3.5	Total for section 3 (sum of items 3.1 through 3.4)	-106,861	0
4	Influence of changes in the official exchange rates of the Russian Ruble, established by the Bank of Russia, on cash and cash equivalents	793,608	-207,718
5	Cash and cash equivalents increase / usage	-1,121,365	1,743,904
5.1	Cash and cash equivalents as of the beginning of the reporting year	2,860,096	1,116,192
5.2	Cash and cash equivalents as of the end of the reporting year	1,738,731	2,860,096

Chairman of JSCB "EnergoBank"

Dmitry Ilgizovich Vagizov

Chief Accountant

Flura Iskanderovna Yagofarova

## Reference Information

Head Office of JSCB "EnergoBank" (PJSC)  
 Mailing address: 13/52 Pushkina str., 420111 Kazan, Republic of Tatarstan, Russia  
 Tel.: +7 (843) 231-60-01, 231-60-02, 231-60-03, 231-60-09  
 Fax: +7 (843) 231-60-04, 231-60-06, 231-60-13  
<http://www.energoBank.ru>

### BRANCHES OF JSCB "ENERGOBANK" (PJSC)

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

32 S. Sadykovoy str., 420021, Kazan, Russia  
 Head of the office:

*Marina Borisovna Devyatkina*

#### Branch No. 2

Location: 1 Maksimova str., 420127, Kazan, Russia  
 Registration date: November 16, 2000

Head of the office:

*Radik Tagirovich Safargaleyev*

#### 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, Kazan, 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:

*L.V. Antonova*

#### 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:

*Marina Nikolaevna Gabdrakhmanova*

#### 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 Branch

*Yuliya 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

*Marsel Muzipovich Fattakhov*

#### Branch No. 14

Location: 1 Peterburgskaya str., 420107, Kazan, Russia  
 Registration date: December 8, 2006

Head of the branch:

*Viktoriya Mikhaylovna Yefimova*

#### 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

*Venera Shaukatovna Siraziyeva*

#### Branch No. 18

Location: 25A Mira str., 423800, Naberzhniye Chelny, Russia  
 Registration date: July 26, 2007

Head of the Branch

*Airat Rasimovich Gazimzyanov*

#### 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: 128A Moskovsky Ave., 423815, Naberezhniye Chelny, Russia

Registration date: October 9, 2013

Head of the Branch

*Artem Mauzirovich Nafikov*

#### Branch No. 22

Location: 14 Molodezhnaya str., 423600, Yelabuga, Russia

Registration date: December 16, 2014

Head of the Branch

*Airat Anvarovich Safargalin*

#### 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 Ulyanovsk Ave., 432072, Ulyanovsk, Russia

Registration date: July 14, 2014

Head of the operational office

*Yulia Sergeevna Novak*





*Kazan, Kaban Lake*



