

Otkritie Financial Corporation Bank (PJSC)

Financial results for the year ended 31 December 2015

On April 5, 2016 the Supervisory Board of Otkritie Financial Corporation Bank approved its audited Consolidated Financial Statements in accordance with the International Financial Reporting Standards (IFRS) for the year ended 31 December 2015.

Key achievements of the Group in 2015

The Group earned net profit in 2015 despite the challenging market environment

Net profit in 2015 increased up to RUB 6.6 billion (12.4% higher than in 2014).

Return on Average Equity (RoAE) in 2015 improved to 7.7% compared to 6.2% in 2014.

Revenue of the Group in 2015 amounted to RUB 99.4 billion (up by 48.1% year-on-year).

The key driver of the Group's revenue growth in 2015 was a significant increase of non-interest income (revaluation gain, including mark-to-market revaluation of the trading securities portfolio).

The Cost-Income Ratio (operating expenses to operating income before provision for impairment) declined to 44.4% for 2015 (54.8% in 2014).

Net interest margin stood at 3.8% in 2015 (4.5% in 2014).

Net interest income in 2015 amounted to RUB 49.9 billion (the decline compared to 2014 result occurred in line with higher funding costs during 2015).

Net fee and commission income in 2015 declined by 11.6% compared to 2014 result to RUB 11.7 billion.

In 2015, the Group earned RUB 36.2 billion of **trading income**. The significant part of trading income from operations with securities was attributable to the positive mark-to-market revaluation of the fixed income securities portfolio in 2015.

Sustainable asset growth

In 2015, the Group's **total assets** increased by 29.6% and reached RUB 3,363.6 billion as at December 31, 2015 (12.0% growth excluding foreign currency revaluation).

The Group's **net loan portfolio** increased by 43.8% as at December 31, 2015 (23.2% growth excluding foreign currency revaluation) and reached RUB 2,565.8 billion or 76.3% of the Group's total assets as at December 31, 2015 (RUB 1,784.8 billion or 68.8% as at December 31, 2014).

The loan loss provision (LLP) ratio stood at 3.4% as at December 31, 2015 (2.2% as at December 31, 2014). Cost of risk ratio amounted to 4.0% in 2015 (2.4% for 2014)¹.

Investments in securities amounted to RUB 421.6 billion or 12.5% of the Group's total assets as at December 31, 2015 (RUB 333.8 billion or 12.9% as at December 31, 2014).

The Group's **total liabilities** reached RUB 3,147.5 billion as at December 31, 2015 and increased by 29.1% compared to 2014 (13.8% growth excluding foreign currency revaluation).

The Group's **customer accounts** totaled RUB 1,255.9 billion as at December 31, 2015, a 22.8% increase compared with December 31, 2014 (15.1% growth excluding foreign currency revaluation). The share of term deposits and current accounts as a proportion of the total amount of customer funds stood at 82.3% and 17.7%, respectively.

The funds of corporate customers made up 43.2% of customer funds as at December 31, 2015, while the share of retail and small business segment amounted to 43.5% of customer accounts.

As at December 31, 2015, the loan to deposit ratio including promissory notes issued to clients stood at 100.9% (127.7% as at December 31, 2014)¹.

Total capital adequacy ratio stood at 15.7% as at December 31, 2015.

See consolidated financial statements as at December 31, 2015 at <http://www.otkritiefc.com/>

About Otkritie FC Bank

Founded in 1993, **Otkritie Financial Corporation Bank** is the parent company of Otkritie FC Banking Group, ranking first among Russia's largest privately-owned banking groups and fourth among Russia's largest groups by total RAS assets according to Interfax-CEA data as at December 31, 2015.

As at December 31, 2015 total consolidated assets of the Group in accordance with IFRS stood at RUB 3,363.6 billion, total equity was RUB 216.0 billion.

The Group comprises Otkritie Financial Corporation Bank and Khanty-Mansiysk Otkritie Bank.

The Bank (formerly known as NOMOS-BANK) was renamed Otkritie Financial Corporation Bank in June 2014.

Otkritie FC Banking Group has an extensive branch network of 500 outlets in 55 economically significant regions of Russia as at December 31, 2015 with the majority of its business concentrated in Moscow, St. Petersburg, Tyumen (including the Khanty-Mansiysk Autonomous District), Novosibirsk and Khabarovsk Regions, Yekaterinburg and Volgograd region.

Otkritie FC Banking Group offers a wide range of banking products and services to corporate, small business and retail clients. As at December 31, 2015 Otkritie FC Bank served more than 29,000 corporates, 163,000 small businesses, and approximately 3.4 million individuals, including private banking clients.

Otkritie FC Bank is rated Ba3 by Moody's and BB- by Standard & Poor's.

The key shareholder of Otkritie FC Bank is Otkritie Holding (64.7%). The Bank's securities are publicly traded on the Moscow Exchange.

¹ Excluding REPO transactions