

МОСКОМБАНК

Commercial Bank of Moscow

**PROFILE
OF
THE PUBLIC JOINT STOCK COMPANY
COMMERCIAL BANK OF MOSCOW
(PJSC MOSCOMBANK)**

MOSCOW 1994 - 2017

Profile of the Bank

General information

Official name: *Public Joint Stock Company Commercial Bank of Moscow.*

Also – PJSC MOSCOMBANK

Country of incorporation: Russia

Regulator: *Central Bank of the Russian Federation*

License for making banking operations: 3172

Number in Deposit insurance system: 811

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FATCA ID: ISHXFH

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E-mail: bank@moscombank.ru

National Identification Number of taxpayer: 1027739223687

Number of branches: 2 domestic

Brief history

Public Joint Stock Company Commercial Bank of Moscow was founded in 1994 and, by now, has achieved significant success in expanding business and strengthening its competitive position. The Bank was founded under the name of *Joint Stock Commercial Bank "Medost"*, however, in 1999 it was renamed to *Commercial Bank of Moscow Joint Stock Society* (also "*Moscombank*"). The new name reflected a new composition of the bank's owners and new tasks set before it.

In 2015 the Bank was renamed to *Public Joint Stock Company Commercial Bank of Moscow* or *PJSC MOSCOMBANK*.

October 1999 was a hallmark in the Bank development when the *Bank of Russia* expanded the banking license, authorized *PJSC MOSCOMBANK* to perform operations with individuals and in the foreign currency.

In today's international crisis, which has a significant impact on Russia, the Bank continues to remain a stable and successful company. The conducted for many years policy of control, restriction of the operations associated with high risks (in Russia - the activity in the stock market) or owing to poor infrastructure (mortgage loans to private individuals) means that the Bank has not lost a penny and fully complies with its commitments to customers.

Basic Licenses

License of the *Bank of Russia* No. 3172 for making banking operations with the funds of individuals and legal entities in rubles and foreign currency.

The Bank is № 811 participant of the Bank deposits insurance system.

Competitive position

PJSC MOSCOMBANK positions itself as a bank servicing middle and small corporate clients of Moscow and Moscow region. With growing Russian economy, there is a lack of qualitative and full banking services for this client sector. Under these conditions, a competitive position of the Bank rendering these services assessed as stable with a significant growth potential.

The most powerful feature of the Bank in the client policy is an individual approach to each client, catering for their needs and creating a bank product just for him.

Membership and partnership

Membership in professional organizations, participation and partnership with the major members of banking services market enables the Bank to operate in the most advanced fields according to the best domestic and international standards.

PJSC MOSCOMBANK is a member and a partner of

- Currency market of "*Moscow Exchange*", class «B»;
- International association "*S.W.I.F.T*"
- International payment system "*Visa International*" (as issuer and acquirer)
- International payment system "*MasterCard International*" (as issuer and acquirer)
- Russian payment system "*Mir*" (as issuer and acquirer)
- Leading Processing company in Russia – "*United Card Services*".

Correspondent relations

The Bank has established correspondent relations with a number of foreign banks. It has opened correspondent accounts in such banks as:

- Industrial and Commercial Bank of China, Moscow, RF ;
- VTB Bank (Deutschland) AG Frankfurt am Main, Germany;
- Raiffeisen Bank international AG, Vienna, Austria.

Basic operations, which makes the Bank are performed through this correspondent network - servicing foreign trade activities of clients (payments, trade finance, L/C, bank guarantees, etc.)

Audit

Accuracy of financial reporting of the Bank is confirmed by annual audit conducted by one of the leading audit companies in Intercom-Audit (<http://www.intercom-audit.ru>). The company is one of the leaders in auditing, consulting and appraisal services in the

Russian Federation. Intercom-Audit is a member of BKR International – Associating of Independent Accounting and Consulting Firms Across the Globe..

International Accounting Standards

The financial statement of *PJSC MOSCOMBANK* in accordance with the International Accounting Standards of 01/01/2017 may be provided at request.

Directors and Senior Management

Council of Directors

Mr. Vadim N. Malov - chairman
Mr. Leonid V. Chekanov- member
Mr. Andrey V. Aliutin - member
Mr. Vladimir K. Vasiliev - member
Mr. Andrey R. Sokolov - member

Board

Mr. Yuriy Y. Karavaev – chairman
Mr. Leonid V. Chekanov – the first deputy chairman
Mr. Konstantin A. Guirba – deputy chairman – the head of treasury
Ms. Marina I. Romanenko – chief accountant

Shareholders

PJSC MOSCOMBANK is a public company, its capital being in the hands of several individuals. You can find a high level of capital transparency according to Russian and international standards. Below there is a chart of holding more than 5% of shares of the authorized capital.



The Bank is not a party to any industrial, banking, financial groups, holding companies, corporations or associations.

Capital

The Bank Shareholders draw increased attention to capitalization of the Bank, as it is a means of risks compensation, a guarantee of reliability and a stability factor.

The capital of the bank for 1 January, 2017 is 1 024 106 000 rubles. It exceeds 17 mln. US dollars. For the period of development the Bank's capital has increased by more than 15 times. The adequacy of the capital for 1 January, 2017 is more than 35%.

Basic financial measures

Structure of Liabilities and Assets, (thousand rubles)

Liabilities		Assets	
Banks	40 000	Cash	144 924
Customers (Corporate)	1 413 381	Corr. accounts	755 494
Customers (Individual)	1 682 959	Bank of Russia	203 455
Internal funds	1 025 055	Loans	2 903 489
Other	61 186	Other	215 219
Total	4 222 581	Total	4 222 581

Structure of Profits and Losses, (thousand rubles)

Profits and Losses	
Total interest, net	259 308
Net fee revenues	53 806
Net revenues from operations with foreign currency	90 477
Operating expenses	246 767
Profit before taxation	127 518

ROE (on 01/01/2017) = 12,45 %

ROA (on 01/01/2017) = 2,65 %

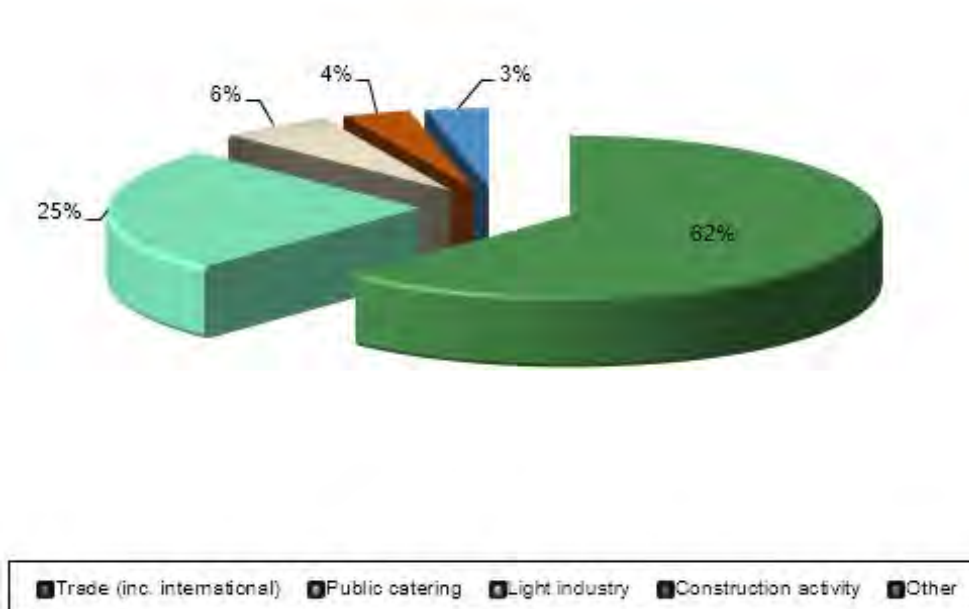
Ratings

The Bank has A (III) rating (The highest solvency level) by Expert RA Rating Agency. This agency is # 1 Russian rating agency working on a global scale from 1997 (<http://www.raexpert.org/ratings/bankcredit/>).

Client's strategy

From the point of clients' policy the Bank gives priority to complex servicing of corporate clients in combination with advanced banking technologies and an individual approach to the client. Enterprises of machine building, telecommunication companies, trade firms and many others are the main partners and clients of the Bank including world-famous leaders of the market.

Sectoral structure of customer's base



Most of the clients conduct foreign economic activities connected with the delivery of various products as well as services made in the USA, Europe, China/Hong Kong/Taiwan, Japan to Russia and other CIS countries. Below find statistics based on the long-term analysis of the business and payment activity of clients:

Goods, work, services under foreign economic contracts	Share in the overall volume
Foods (mainly meat processed)	27 %
Consumer goods (mainly, clothes, computers, and components)	30 %
Operations with securities	11 %
Imports of machinery and equipment	9 %
Services (mainly, transportation)	8 %
Loans	7 %
Real estate purchase	2 %
Imports of motor vehicles	2 %
Others	4 %

Lately the Bank has been paying much attention to care of individuals. The program of issue credit and debit cards *Mir*, *Visa International* and *MasterCard International* is developing successfully

At the same time, it should be noted that the consumer lending to individuals in the bank is severely restricted because of the increased risk of earlier and especially topical now.

Main banking service

Main services for corporate customers:

- Current accounts;
- Payments in rubles and international payments in foreign currencies;
- Buying and selling of foreign currencies;
- Loans;
- Banking cards;
- Deposits;
- Internet banking;
- L/C and guarantees;
- Other.

Main services for private customers:

- Current accounts;
- Payments in rubles and international payments in foreign currencies;
- Loans;
- Banking cards Visa and MasterCard;
- Many transfers;
- Internet banking;
- Other.

Anti money laundering

In accordance with the legislation of the Russian Federation, the Bank performs actions aimed at identifying clients and beneficiaries, as well as ensures monitoring of clients and bank-correspondents to uncover operations connected with legalization.

In accordance with the "Know your customer" policy, the Bank conducts questioning of clients before opening accounts as well as during the conclusion of transactions in order to find and identify:

- Directors and beneficiaries of the client;
- Actual and legal location of the client;
- Location of the client's business;
- Content of the client's business, its permanent contractors;
- Volumes of business, account turnovers;
- Client's operations that may be exposed to risks connected with illegal proceeds legalization.

A specially created service ensures permanent monitoring of transactions of clients in order to expose suspicious operations as well as operations requiring mandatory control. The information is sent to the Bank of Russia as well as to the Financial Monitoring Committee.

Risks

The Bank carries out a balanced and conservative policies on banking risks. The main risks, which the Bank has paid special attention are liquidity risk, credit risk, currency risk, legal risk, interest rate risk.

At the moment, the level of these risks in the Bank is estimated as appropriate, and financial condition of *PJSC MOSCOMBANK* as well.