



Annual report 2012

APPROVED

by Annual General Meeting of Shareholders

CB ENERGO TRANS BANK (JSC)

Minutes No. 23 of June 18, 2013

APPROVED PRELIMINARY

by Board of Directors

CB ENERGO TRANS BANK (JSC)

Minutes No. 19 of May 13, 2013

Kaliningrad - 2013

Commercial bank
ENERGOTRANSBANK
Joint Stock Company

Dear Ladies and Gentlemen,

Let us present you the results of the work of the Bank ENERGOTRANSBANK (JSC) in 2012. The previous year was a year of successful development of the Bank in the context of changing economic conditions and growing competition presented by state and private banks and other institutions providing general public and small and medium businesses with financial services. This year showed more acute competition for deposits of individuals and other sources of financial resources. High resource cost for banks, exceeding inflation level greatly, was translated into high interest rates for loans for individuals and small businesses, which had an adverse effect on borrowers' solvency and profitability of investment projects. There was a visible drop in qualitative demand for loans, credit risk grew.

Under these conditions Bank tried to adjust its commercial strategy, holding down growth of credit portfolio regarding transactions with individuals and small business enterprises, putting an emphasis on increase of earnings from investments into issue bonds of the first class borrowers included into the Lombard List of Bank of Russia. Bank's income from settlement, currency exchange and other transactions not associated with the credit risk.

Operating income received by the bank in reported year was over 340 million roubles, exceeding estimated figures as much as over 80%. Credit portfolio increased 750.6 million roubles or 19.7%, and reached a figure of 3 873.1 million roubles by the end of the year. High quality of credit portfolio was secured. The share of problem and uncollectible loans in credit portfolio of the bank did not exceed the average statistical level in banking sector of the RF and corresponded to the average level not exceeding 5%.

In 2012 a significant progress was achieved in the development of various systems of distance banking services, allowing to do without direct contact of clients and employees of the Bank. Software and hardware and speed of the system "Internet-bank for legal entities" were improved significantly. A commercial launch of the service "Budget performance monitoring" offered to corporate clients of the Bank.

Bank improved terms and conditions for the whole range of bank cards. An "instant issue" bank card MasterCard Express Card with a validity period of 3 years which can be received within 15 minutes after filling in an application form was introduced. MasterCard Express Card is a full-function card having all the functions of "classic" MasterCard Standard. Coverage of the region with the network of the own payment terminals of the Bank became much better.

In 2012 Bank was awarded with "STP Award 2011" by the German bank Commerzbank AG. This award is traditionally given to financial institutions showing high quality arrangement of commercial and interbank payments. The award marks high professionalism of employees and meeting the standards in the area of international settlements.

One of the strategic objectives of the Bank in 2012 was the development of HR potential. The reputation of an attractive employer and an efficient staff selection helped the Bank to work productively in the area of improvement of staff in 2012.

Being the largest bank registered in Kaliningrad region, the Bank participates actively in social development of the region. In 2012 direct charity projects were implemented as well as socially oriented programs aimed at improving living standards, integrated development of the territories the Bank locates on.

Carrying out conservative lending policy combined with the development of the product range and sales channels allowed the Bank to prove the status of stable financial institutions. In December 2012 the rating agency "Expert RA" raised credit rating of the Bank to the level A+ "Very high credit rating", "stable" forecast.

We express our gratitude to our clients for their unfailing trust, to the team of the Bank for responsible attitude and commitment to work, to the Board Directors and shareholders for support.

Sincerely yours,

Chairman of the Board of Directors

_____ I.D. Ivanov

Full name of Bank	COMMERCIAL BANK ENERGOTRANSBANK, Joint Stock Company
Date of first registration by Central Bank of Russia	27/12/1990
Registration number	1307
State registration number (OGRN)	1023900000080
General license of Central Bank of Russia	No. 1307 of 13.12.2005
Equity capital	1 233 333 193 (one billion two hundred and thirty three million three hundred and thirty three thousand one hundred and ninety three) roubles
Identification taxpayer number (INN)	3906098008
Tax registration reason code (KPP)	392501001
BIC	042748701
Codes of Forms for Federal Statistics Monitoring	
Russian National Classifier of Businesses and Organizations (OKPO)	22881700
Russian National Classifier of Ownership Patterns (OKFS)	16
Russian National Classifier of Public Authorities (OKOGU)	15001
Russian National Classifier of Political Subdivisions (OKATO)	27401368000
Russian National Classifier of Forms of Incorporation (OKOPF)	47
Russian National Classifier of Economic Activities (OKVED)	65.12

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Contact information

COMMERCIAL BANK ENERGOTRANSBANK, Joint Stock Company

Registered address: 83-A Klinicheskaya Street, Kaliningrad, 236016, Russia

Postal address: 83-A Klinicheskaya Street, Kaliningrad, 236016, Russia

Telephone / fax: (4012) 45-19-38

E-mail: mail@energotransbank.com

Corporate website:

www.energotransbank.com, www.msk.etbank.ru



Subdivisions of CB ENERGOTRANSBANK (JSC)

BRANCHES AND SUPPLEMENTARY OFFICES

1. Sovetsk branch of Commercial bank ENERGOTRANSBANK (JSC), registration number 1307/01.
Address: 9 Goncharova Street, Sovetsk, Kaliningrad region, 238750.
2. Moscow branch of Commercial bank ENERGOTRANSBANK (JSC), registration number 1307/4.
Address: 3 Solyanka Street, building 3, Moscow, 109028.
3. Southern supplementary office of CB ENERGOTRANSBANK (JSC).
Address: 11-15 Pl. Kalinina, Kaliningrad, 236039.
4. Gurievsk supplementary office of CB ENERGOTRANSBANK (JSC).
Address: 13 Lenina Street, Gurievsk, 238300.
5. Chernyakhovsk supplementary office of CB ENERGOTRANSBANK (JSC)
Address: 4 Lenina Street, Chernyakhovsk, 238158, Kaliningrad region.
6. Baltyisk supplementary office of CB ENERGOTRANSBANK (JSC)
Address: 11 Prospect Lenina, Baltyisk, 238120, Kaliningrad region.
7. Ozersk supplementary office of CB ENERGOTRANSBANK (JSC)
Address: 3 Nekrasova, Ozersk, 238120, Kaliningrad region.
8. Neman supplementary office of CB ENERGOTRANSBANK (JSC)
Address: 40 Pobedy Street, Neman, 238710, Kaliningrad region.

CREDIT-CASH OFFICES

1. 83-A Klinicheskaya Street (office 28), Kaliningrad
2. 83-A Klinicheskaya Street (office 21, 21a), Kaliningrad
3. 19 Moskovskaya Street, Gusev
4. 90/92 Proletarskaya Street, Kaliningrad
5. 1 Internatsionalnaya Street, Sovetsk

OFFICES OUTSIDE THE BANK'S CASH DEPARTMENT

6. 83-A Klinicheskaya Street (office 101), Kaliningrad
7. 7-9 Leninsky prospect, Kaliningrad (shopping mall "Europe")
8. 61 prospect Mira, Kaliningrad (shop "Sputnik")
9. 1 Sovetsky prospect, Kaliningrad
10. 1-3-5 Chernyakhovskogo Street, Kaliningrad
11. 11 Chelnokova Street, Kaliningrad
12. Lot No. 383, gardening partnership, Bagrationovsk, Kaliningrad region
13. 2a Goncharova Street, Sovetsk
14. 14 Gagarina Street, Sovetsk
15. 42 prospect Pobedy, Sovetsk
16. 5 Bagrationovskiy proezd, Moscow

Types of licenses

General Banking License No. 1307 of December 13, 2005.

License for inviting in deposition and selling precious metals and performing other transactions with precious stones in compliance with legislation of the Russian Federation No. 1307 of December 13, 2005.

License of a professional participant of the securities market for carrying out securities management activity for an indefinite term No. 039-07165-001000 of November 26, 2003.

License of a professional participant of the securities market for carrying out depository activity for an indefinite term No. 039-04153-000100 of December 20, 2000.

License of a professional participant of the securities market for carrying out dealer activity for an indefinite term No. 039-03840-010000 of December 13, 2000.

License of a professional participant of the securities market for carrying out broker activity for an indefinite term No. 039-03779-100000 of December 13, 2000.

List and shares of the Bank`s principal shareholders

As of 01/01/2013 the number of shareholders of Bank was 603 655, comprising:

- legal entities – 110;
- individuals - 603 545.

Major shareholders of Bank holding more than 1% ordinary uncertified voting shares are:

No. in sequence	Name of the Bank Shareholders	Shares in the authorized capital of the Bank/ Nominal, roubles
1	Narodny Fund, Limited Liability Company	8.8461% / 109 102 014
2	Severo-Zapadny Fund of Private Investments, Limited Liability Company	8.8544% / 109 204 620
3	Energofinance, Limited Liability Company	8.8544% / 109 204 620
4	Geocapital, Limited Liability Company	8.8544% / 109 204 620
5	Promyshlennye investitsii, Limited Liability Company	8.8544% / 109 204 620
6	Investreserve, Limited Liability Company	5.2455% / 64 694 121
7	Aquatoria, Limited Liability Company	3.2219% / 39 737 120
8	International Fund of Investments and Privatization, Limited Liability Company	3.0621% / 37 766 346
9	Karvent, Limited Liability Company	1.3860% / 17 093 997

Aggregated per cent of participation of shareholders of CB ENERGOTRANSBANK (JSC), holding less than 1% of equity capital of CB ENERGOTRANSBANK (JSC) – 42.8206 %.

In 2012 the composition of major shareholders (holding over 1% shares) did not change, total number of shareholders changed from 603 659 to 603 655.

Shareholder Register of CB ENERGOTRANSBANK (JSC) is in custody of a specialized company (registrar) - Registrar Company "Status", Closed Joint Stock Company (32 Novorogozhskaya Street, building 1, Moscow, 109544).

Board of Directors and Management Board of the Bank

Board of Directors

1. **Vladimir Aleksandrovich Durasov**, Member of the Board of Directors of Bank, born in 1935, higher education. Work experience: 1986 – 1989 – Minister of non-ferrous metallurgy of the USSR; 1989 - 1991 – First Deputy of Chairman of Gosplan (State Planning Committee) of the USSR; 1991 – 1992 – First Deputy Minister of Economic Affairs of the USSR; since 1992 – Director of International fund "Interprivatization"; 1999 – 2006 – General Director's Council of Narodny Fund, Ltd.; since 2007 – Administrative Board Chairman's Council of CB ENERGOTRANSBANK (JSC). Mr. Durasov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
2. **Pavel Ivanovich Zhikharev**, Member of the Board of Directors of Bank, born in 1930, higher education. Work experience: before 1994 – President of Savings Bank of Russia; from 1994 to 2006 - General Director's Council of Narodny Fund, Ltd.; since 2007 - Administrative Board Chairman's Council of CB ENERGOTRANSBANK (JSC). Mr. Zhikharev holds shares of CB ENERGOTRANSBANK (JSC), participation share in equity capital of Bank is 0.00153%.

3. **Igor Dmitrievich Ivanov, Chairman of the Board of Directors**, born in 1959, higher education. Work experience: 1989 – 1992 – Director of NPKT “TOR”; 1992 – 1993 – Director of “Method”, PLC; 1993 – 1994 – President of Joint Stock Commercial Bank “MicroBank”; 1994 – 1998 – Deputy Chairman of Administrative Board of CB “Roscomveteranbank”; 1998 – 1999 – Deputy Chairman of Administrative Board of CB ENERGOTRANSBANK (JSC); 1999 – 2010 – Chairman of Administrative Board of CB ENERGOTRANSBANK (JSC). Since 2010 – Chairman of the Board of Directors of CB ENERGOTRANSBANK (JSC). Mr. Ivanov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
4. **Petr Makarovich Katsura**, Member of the Board of Directors of Bank, born in 1930, higher education. Work experience: 1969 – 1985 – Deputy General Director of Production Union “AvtoVAZ”; 1985 – 1992 – Head of division of Council of Ministers of the USSR; since 1992 – Vice-President of International fund “Interprivatization”; 1999 – 2006 – General Director of Narodny Fund, OJSC. 2006 – 2011 – General Director’s Council of Griffin Investments, Ltd. Since 2011 – General Director’s Council of AVTOTOR-Holding, Ltd. Mr. Katsura did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
5. **Yury Valentinovich Ponomarev**, Member of the Board of Directors, Chairman of Administrative Board of CB ENERGOTRANSBANK (JSC), born in 1946, higher education. Work experience: from 1969 an employee of Vneshtorgbank of the USSR; from 1980 to 1984 – Deputy Chairman of the Board of Directors, Chief Executive Officer of Mosnarbank (London); from 1984 to 1986 – Head of Currency Board of Vneshtorgbank of the USSR; from 1986 to 1990 – Head of Main Directorate of Currency and Economy, member of Administrative Board (from 1987) of Gosbank of the USSR; from 1990 to 1998 – General Director, Chairman of Administrative Board of Eurobank (Paris), from January to May 1992 according to the Resolution of Bank of Russia worked as Chairman of Management Committee of Vnesheconombank of the USSR; from 1998 to 1999 – Chairman of Administrative Board, Chief Operation Officer of Mosnarbank (London); from 1999 to 2002 – President – Chairman of Administrative Board of Vneshtorgbank; from 2002 to 2005 – Chairman of Administrative Board, Managing Director of IVÜB Bank (Luxemburg); since 2010 – Chairman of Administrative Board of CB ENERGOTRANSBANK (JSC). Mr. Ponomarev did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
6. **Aleksandr Evgenievich Sorokin**, Member of the Board of Directors, born in 1952, higher education. Work experience: from 1996 – Chief Designer of Mashinvest, CJSC.; from 1997 – Director of Engineering and technical centre – Chief Design Engineer of Avtotor, CJSC.; from 1998 – Chief Technical Officer – Director of ITC Avtotor, CJSC.; from 2001 – Deputy General Director – Chief Technical Officer of Avtotor-Holding, JSC.; from 2003 – General Director of Avtotor-Engineering, Ltd.; 2003 – 2007 – General Director of AVTOTOR Holding, JSC.; 2007 – 2009 – General Director of AVTOTOR – TECHNOLOGIES AND DEVELOPMENT, Ltd.; from 03.2009 – Senior Vice President – Director for development of AVTOTOR Holding, Ltd.; since 2012 – General Director of AVTOTOR Holding, Ltd. Mr. Sorokin did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
7. **Valery Mikhailovich Shashkov**, Member of the Board of Directors of Bank, born in 1954, higher education. Work experience: 1976 – 1998 - Foreman, Assistant of Head of Mechanics and Assembling Production, Assistant Head of Occupational Safety and Health Administration, Deputy Director of mechanics and assembling plant for economic issues, Deputy Head of Main Economic Administration, Deputy General Director – Director for Economy of AZLK; 1998 - 1999 – Deputy Director for Economy of Moscow representative office of Avtotor, CJSC.; 1999 – 2001 – Deputy Director for Economy – Head of Economic Administration of Avtotor-Holding, JSC.; 2001 – 2002 - Deputy Director for Economy - Head of Economic Administration of Moscow representative office of Avtotor, CJSC.; 2002 - 2003 – General Director of Autocapital – Invest, Ltd. (renamed Autocapital – Leasing, Ltd.); from 2005 – General Director of AVTOTOR Group, Ltd., 2007 – 2012 – Deputy General Director – Director for Economy AVTOTOR Holding, Ltd.; since 2012 – Deputy Director for Economy – Director of Economic Planning and Analysis Department of AVTOTOR Holding, Ltd. Mr. Shashkov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
8. **Vladimir Ivanovich Scherbakov**, Member of the Board of Directors of Bank, born in 1949, higher education. Work experience: 1989 – 1991 – Chairman of State Labour Committee of the USSR; 1991 – 1992 – First Vice Prime Minister of the USSR; from 1991 – President of International Fund “Interprivatization”, Chairman of the Board of Directors of group of companies “Avtotor”. Mr. Scherbakov holds shares of CB ENERGOTRANSBANK (JSC), participation share in equity capital of Bank is 0.00014%.

9. **Sergey Vladimirovich Scherbakov**, Member of the Board of Directors, born in 1977, higher education. Work experience: from 2003 – Director of FPI SA, from 2008 – General Director of Narodny Fund, Ltd., General Director of Severo-Zapadny Fund of Private Investments, Ltd., General Director of Geocapital, Ltd., General Director of Promyshlennye investitsii, Ltd., General Director of Energofinance, Ltd. Mr. Scherbakov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.

The annual general meeting of shareholders of Bank on June 19, 2012 formed the Board of Directors of Bank, including 9 people:

1. **Vladimir Aleksandrovich Durasov**, Member of the Board of Directors of Bank, born in 1935, higher education. Mr. Durasov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
2. **Pavel Ivanovich Zhikharev**, Member of the Board of Directors of Bank, born in 1930, higher education. Mr. Zhikharev holds shares of CB ENERGOTRANSBANK (JSC); participation share in equity capital of Bank is 0.00153%.
3. **Igor Dmitrievich Ivanov, Chairman of the Board of Directors**, born in 1959, higher education. Mr. Ivanov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
4. **Petr Makarovich Katsura**, Member of the Board of Directors of Bank, born in 1930, higher education. Mr. Katsura did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
5. **Yury Valentinovich Ponomarev**, Member of the Board of Directors, Chairman of Administrative Board of CB ENERGOTRANSBANK (JSC), born in 1946, higher education. Mr. Ponomarev did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
6. **Aleksandr Evgenievich Sorokin**, Member of the Board of Directors, born in 1952, higher education. Mr. Sorokin did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
7. **Valery Mikhailovich Shashkov**, Member of the Board of Directors of Bank, born in 1954, higher education. Mr. Shashkov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
8. **Vladimir Ivanovich Scherbakov**, Member of the Board of Directors of Bank, born in 1949, higher education. Mr. Scherbakov holds shares of CB ENERGOTRANSBANK (JSC), participation share in equity capital of Bank is 0.00014%.
9. **Sergey Vladimirovich Scherbakov**, Member of the Board of Directors, born in 1977, higher education. Mr. Scherbakov did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.

Administrative Board of Bank

As of the beginning of the period the Administrative Board included:

1. **Yury Valentinovich Ponomarev, Chairman of Administrative Board**, born in 1946, higher education. Work experience: from 1969 an employee of Vneshtorgbank of the USSR; from 1980 to 1984 – Deputy Chairman of the Board of Directors, Chief Executive Officer of Mosnarbank (London); from 1984 to 1986 – Head of Currency Board of Vneshtorgbank of the USSR; from 1986 to 1990 – Head of Main Directorate of Currency and Economy, member of Administrative Board (from 1987) of Gosbank of the USSR; from 1990 to 1998 – General Director, Chairman of Administrative Board of Eurobank (Paris), from January to May 1992 according to the Resolution of Bank of Russia worked as Chairman of Management Committee of Vnesheconombank of the USSR; from 1998 to 1999 – Chairman of Administrative Board, Chief Operation Officer of Mosnarbank (London); from 1999 to 2002 – President – Chairman of Administrative Board of Vneshtorgbank; from 2002 to 2005 – Chairman of Administrative Board, Managing Director of IVÜB Bank (Luxemburg); since 2010 – Chairman of Administrative Board of CB ENERGOTRANSBANK (JSC). Mr. Ponomarev did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
2. **Sergey Pavlovich Soloviev**, First Deputy Chairman of the Bank's Administrative Board, born in 1971, higher education. Work experience: 1993–1995– Head of Foreign Exchange Department of Kaliningrad Branch of Commercial Bank Ufabank; 1995–1996 – Economist of Foreign Exchange Department of CB ENERGOTRANSBANK; since 1996 – 1st Category Economist of Foreign Relations Department of CB ENERGOTRANSBANK; 1996–1997– Deputy Director of Rozhdestvensky Branch of CB “ENERGOTRANSBANK”; 1997–1999– Director of Rozhdestvensky Branch of CB ENERGOTRANSBANK; since 1999 – Deputy Chairman of the Administrative Board of CB “ENERGOTRANSBANK”; in October 2008 he was

promoted to a position of First Deputy Chairman of the Administrative Board of CB ENERGOTRANSBANK (JSC). Mr. Soloviev did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.

3. **Svetlana Efimovna Kononova**, Deputy Chairman of the Bank's Administrative Board, born in 1950, higher education. Work experience: from 1981 – Head of Planning and Economic Department of Municipal Branch of bank “Stroybank”; 1981–1987– Head of Capital Building Financing and Lending Department of Municipal Branch of bank “Stroybank”; 1987–1990 – Head of Loan Department of Oktyabrsky Branch of bank “Promstroybank”; 1990–1991 – Deputy Chairman of the Administrative Board of CB ENERGOTRANSBANK; 1991–1993 - Deputy Chairman of the Administrative Board of the 1st Branch of CB Investbank; since 1993 – Deputy Chairman of the Administrative Board of CB ENERGOTRANSBANK. Ms. Kononova did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
4. **Sergey Leonardovich Kokurin**, Deputy Chairman of the Administrative Board, born in 1958, higher education. Work experience: from 1994 - Manager of Customer Service of MicroBank, JSCB; from 1994 – Head of Operational Services Department of Microbank, JSCB; 1994–1996 – Head of Settlement and Credit Accounts Department of Zelenogradsky Branch of Moscow Bank of Reconstruction and Development, JSCB; 1996–1998 – Head of Operational Management Department of Zelenogradsky Branch of Moscow Bank of Reconstruction and Development, JSCB; 1998–2004 – Deputy Director of Moscow Branch of CB ENERGOTRANSBANK; since 2004 – Deputy Chairman of the Administrative Board of CB ENERGOTRANSBANK (JSC). Mr. Kokurin did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
5. **Tatyana Grigoryevna Pankova**, Chief Accountant, born in 1964, higher education. Work experience: since 1987 – Economist of Trade Lending Department of Kaliningrad Region Branch of Gosbank USSR; 1988 – 1990– Economist of Oktyabrsky Branch of CB Promstroybank; 1990 – 1991 – 2nd category Economist of CB ENERGOTRANSBANK; 1991–1993 – Specialist of the First Branch of CB Investbank; 1993 – 1995– 2nd category Economist of CB ENERGOTRANSBANK; 1995–1997– Deputy Chief Accountant of CB ENERGOTRANSBANK; since 1997 – Chief Accountant of CB ENERGOTRANSBANK. Ms. Pankova did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
6. **Marina Mikhailovna Vildanova**, Deputy Chairman of the Administrative Board, born in 1957, higher education. Work experience: 1979 – 1984 – Counsel of Letters and Public Relations Department of Editorial Board of the newspaper “THE LABOUR” (TRUD); 1984 – 1991 – Junior Research Fellow (1990 – Senior Research Fellow) All-Union Scientific Research Institute of Soviet State Construction and Legislation; 1991 – 1999– Counsel (from 1993 – Chief Expert of Legal Service, Head of Legal Service, from 1994 – Advisor for Administrative Board, from 1996 – Chief Expert for Legal Issues, from 1997 – Administrative Board Chairman’s Council) JSCB Eurofinance; in 1999 – Advisor on Legal Issues of Metallinvestservice, Ltd.; in 1999 – Counsel of the first category of Foreign Trade Activities Bank of the USSR (Vnesheconombank of the USSR); 1999 – 2002 – Head of Legal Service – Chief Counsel (from 2000 – Head of Legal Administration) Foreign Trade Bank, OJSC (Vneshtorgbank); 2002 – 2003 – Director of Legal Administration of JSCB Moscow Bank of Reconstruction and Development, in 2003 – Director’s Advisor on Legal Issue of Non-Commercial Partnership “National Depository Centre”; 2003 – 2009 – Director of Legal Department of Moscow Interbank Currency Exchange, CJSC.; in 2009 – partner of Legal Company “Zhigachev and Khristoforov”, Ltd.; 2009 – 2011 – General Director’s Advisor (2010 – Vice President) Rational Systems for Experts, CJSC.; since 2011 – Deputy Chairman of Administrative Board CB ENERGOTRANSBANK (JSC). Ms. Vildanova did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.
7. **Ilona Viktorovna Gustova**, Deputy Chairman of the Administrative Board, born in 1972, higher education. Work experience: 1993 – 2001 – Accountant (from 1994 – Chief Accountant, from 1997 – Chief Accountant of Interbank Settlements and Marketing Banking Technologies Department, from 1998 – Head of Interbank Settlements Department, since 2000 - Head of Interbank Settlements Department of Interbank Settlements Administration, Chief Specialist of Interbank Settlements Department) Joint Stock Commercial Bank Volzhsko - Kamsky; 2001 – 2002 – Lead Economist of Settlements and Correspondent Relations Department (from 2002 – Chief Economist of Settlements and Correspondent Relations Department) of Joint Stock Commercial Bank SPURT, from 2002 – Head of Correspondent Relations and Interbranch Settlements Department (from 2003 – Head of Internal Control Department, from 2009 – Head of Risk Management Department of CB ENERGOTRANSBANK (JSC); from 2011 – Member of Administrative Board of CB ENERGOTRANSBANK (JSC). Since October 25, 2012 – Deputy Chairman of Administrative Board. Ms. Gustova did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.

8. **Pavel Vladimirovich Sakadynsky**, Member of Administrative Board, Director of MOSCOW FCB ENERGOTRANSBANK (JSC), born in 1966, higher education. Work experience: 1993 – 2004 – Economist of Currency Transactions and Securities Department (in 1993 – Lead Economist of Currency Transactions and Securities Department, from 1994 – Head of Currency Transactions and Securities Department, in 1994 – Head of Currency Transactions Administration, from 2001 – Vice President, from 2003 – First Vice President) of JSCB TVER; 2004 – 2005 – Vice President for Strategic Development of CB AKEF-Bank (Ltd.); in 2005 – First Vice President of Finance and Consulting Group “Agency of Actual Economics and Finance”, Ltd.; 2005 – 2006 – Administrative Board Chairman’s Advisor of JSCB Inbankproduct, JSC.; in 2007 – Administrative Board Chairman’s Advisor of Joint Investment Company “Magellan”, CJSC.; from 2008 – Director of MOSCOW FCB ENERGOTRANSBANK (JSC), since 2011 – Member of Administrative Board of CB ENERGOTRANSBANK (JSC). Mr. Sakadynsky did not hold any shares of CB ENERGOTRANSBANK (JSC) in 2012.

On February 9, 2012 in accordance with Paragraph 16.1 of Articles of Incorporation of CB ENERGOTRANSBANK (JSC) Marina Mikhailovna Vildanova went out of the Administrative Board of Bank due to her dismissal from the position of Deputy Chairman of Administrative Board on her own volition.

As a result as of the end of 2012 Administrative Board of Bank was formed as follows:

1. **Yury Valentinovich Ponomarev** - Chairman of Administrative Board.
2. **Sergey Pavlovich Soloviev** - First Deputy Chairman of Administrative Board.
3. **Svetlana Efimovna Kononova** - Deputy Chairman of Administrative Board.
4. **Sergey Leonardovich Kokurin** - Deputy Chairman of the Administrative Board.
5. **Iлона Viktorovna Gustova** - Deputy Chairman of the Administrative Board.
6. **Pavel Vladimirovich Sakadynsky** - Member of Administrative Board.
7. **Tatyana Grigoryevna Pankova** - Chief Accountant.

Information about rewards paid to the members of the Board of Directors, Chairman of Management Board and members of the Management Board of CB ENERGOTRANSBANK (JSC)

Defining criteria and reward amounts (reimbursement for expenses) for members of the Board of Directors are set by resolution of General Meeting of Shareholders of CB ENERGOTRANSBANK (JSC).

General Meeting of Shareholders on June 19, 2012 (Minutes No. 22 of 19/06/2012.) no resolutions on rewards or reimbursements of expenses for members of the Board of Directors were adopted. No rewards or expense reimbursement to members of the Board of Directors were paid.

In 2012 Chairman of Administrative Board, members of Administrative Board and members of the Board of Directors were paid salaries for fulfilling their professional duties and responsibilities according to positions held in the Bank by them with regard to the staff schedule and employment agreements concluded by them. Aggregated amount of labour remuneration, including bonuses and compensations, annual paid leave and other payments to above named people in the reported period in 2012 was 24 755.9 thousand roubles.

No dividends were announced or paid on the results of 2012. Net profit received in view of the results of business activities of Bank in 2012 was left undistributed by the decision of the General Meeting of Shareholders and decision of the Board of Directors.

Correspondent banks

As of 01/01/2013 the key correspondents cooperating with CB ENERGOTRANSBANK (JSC) were:

- In the Russian Federation – 12 banks – abroad – 10 banks

Main correspondent accounts: in Russian Roubles: No. 3010181080000000701 in Main Financial Settlements Center of Main Administration of Bank of Russia for Kaliningrad region.

On the territory of the Russian Federation

No	Name of bank	Currency	BIC	Location
1	SAVINGS BANK OF RUSSIA, JSC	RUB; USD; EUR	044525225	Moscow
2	JSCB RUSSAVBANK	RUB; USD; EUR	0445252685	Moscow
3	URALSIB, JSC	RUB; USD; EUR	044525774	Moscow
4	Bank VTB, Ltd.	RUB; USD; EUR	044525187	Moscow
5	CB ANELIK RU (Ltd.)	USD; RUB	044583616	Moscow
6	Nomos-BANK (JSC)	RUB; USD; EUR in gold, in silver	044525985	Moscow
7	Savings Bank Of Russia, JSC –Kaliningrad Branch of Savings Bank No. 8626	RUB	042748634	Kaliningrad
8	MDM – BANK, JSC	in gold, in silver		Moscow
9	JSCB BANK OF CHINA (ELOS)	CNY	044525213	Moscow
10	DEUTSCHE - BANK (Ltd.)	RUB	044525101	Moscow
11	CB PLATINA, Ltd.	RUB	044585931	Moscow
12	REIFFEISENBANK AUSTRIA	RUB; USD; EUR	044525700	Moscow

Main correspondent accounts abroad

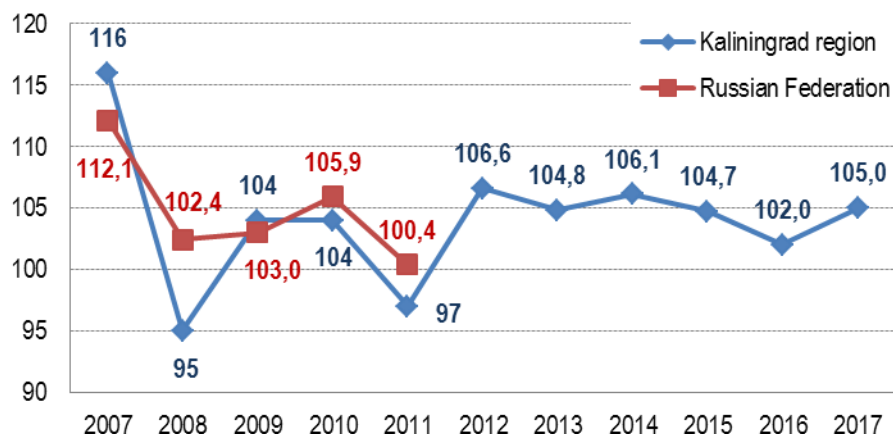
No.	Name of bank	Currency	SWIFT	Location
1	VTB BANK (DEUTSCHLAND) AG	USD; EUR; GBP; JPY	OWHBDEFF	Frankfurt on the Main, Germany
2	Commerzbank AG	USD; EUR	COBADEFF	Frankfurt on the Main, Germany
3	SEB Bank	Multi-currency account	CBVILT2X	Vilnius, Lithuania
4	BANK ZACHODNI WBK SA	USD; EUR; PLN	KRDBPLPW	Wroclaw, Poland
5	Raiffeisen Bank International AG	EUR	RZBAATWW	Vienna, Austria
6	Norvik Bank JSC	PLN; EUR; BYR; USD	LATBLV22	Riga, Latvia
7	AB Citadele Bankas	Multi-currency account	INDULT2X	Vilnius, Lithuania
8	Belinvestbank JSC	EUR; BYR; USD	BLBBY2X	Minsk, Belarus
9	VTB Bank (Austria) AG	USD; EUR	DOBAATWW	Vienna, Austria
10	NORDEA BANK POLSKA S.A.	PLN; EUR; USD	NDEAPLP2	Warsaw, Poland

Business context analysis

Social development of Kaliningrad region in 2012

Per capita income of the population in 2011 was 16 885 roubles (105.3% compared to 2010). In 2012 it grew to 18 529 roubles or 109.7% compared to the previous year. Furthermore, actual disposable income (income after compulsory payments, corrected by consumer price index) in 2011 was only 97%, but in 2012 due to low inflation level it rose to 106.6%.

Actual disposable income of population, %



Minimum subsistence level on average per capita in IV quarter of 2012 was 6 273 roubles (able-bodied population – 6 723 roubles, retired people – 5 068 roubles, children – 6 169 roubles), after an increase by 5.3% compared to similar period of 2011.

An index indicating living standard of population is a ratio of per capita income to a minimum subsistence level. As it can be seen from the graph, since 2009 a positive dynamics has appeared in the ration of these two figures.

Per capita income to minimum subsistence level ratio, %	2007	2008	2009	2010	2011	2012
All population	290	270	277	285	279	295.4

The main part of income is determined by salaries and wages. Policy of regional authorities regarding salaries and wages legalization at commercial enterprises as well as an accord reached within the framework of the regional agreement between the Government, employers unions and trade unions on fixing a minimum salary amount of 6 500 roubles from January 1, 2012 on the territory of the region (compared to federal minimum monthly wage of 4 611 roubles) allowed increasing salaries and wages significantly in 2012.

In 2012 average monthly wage due per employee, including employees of small business enterprises, was 22 267 roubles. In comparison to 2011 it grew by 10.9%.

Most remarkable increase was seen in budget financed organizations: labour remuneration for employees in education rose by 20.2%, in health care and social services - by 23.7%. This was facilitated by measures taken in the framework of enforcement of Presidential Decree of the RF of 07/05/2012 No. 597 "On measures for implementation national social policy".

However, salaries and wages amount in the region has not reached the average Russian level.

Average wage	In nominal terms (roubles)					
	2007	2008	2009	2010	2011	2012
The Russian Federation	13 593	17 290	18 638	20 952	23 369	26 822
Kaliningrad region	12 750	15 420	16 048	18 455	19 911.1	22 267.8

Average wage	In real terms (% compared to the previous year)					
	2007	2008	2009	2010	2011	2012
The Russian Federation	117.2	111.5	96.5	105.2	102.8	109.1
Kaliningrad region	119.9	105.1	92.8	109.3	100.1	105

Since 2009 an increase in average wage to minimum subsistence level ratio has been registered, which has risen from 282% to 309% in 2011. In 2012 this ratio was 331.2%.

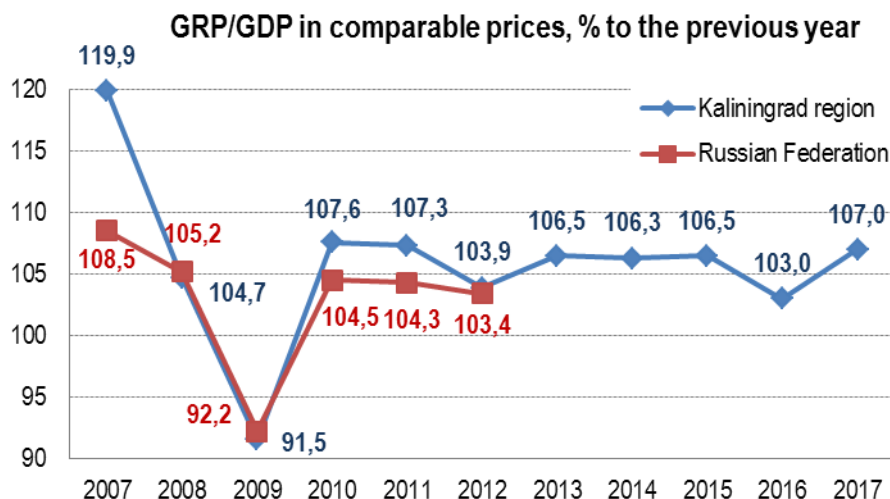
Ratio of average monthly nominal wage due after social payments to minimum subsistence level of able-bodied population, %	2007	2008	2009	2010	2011	2012
All population	301	301	282	308	309	331.2

Economic development of Kaliningrad region in 2012

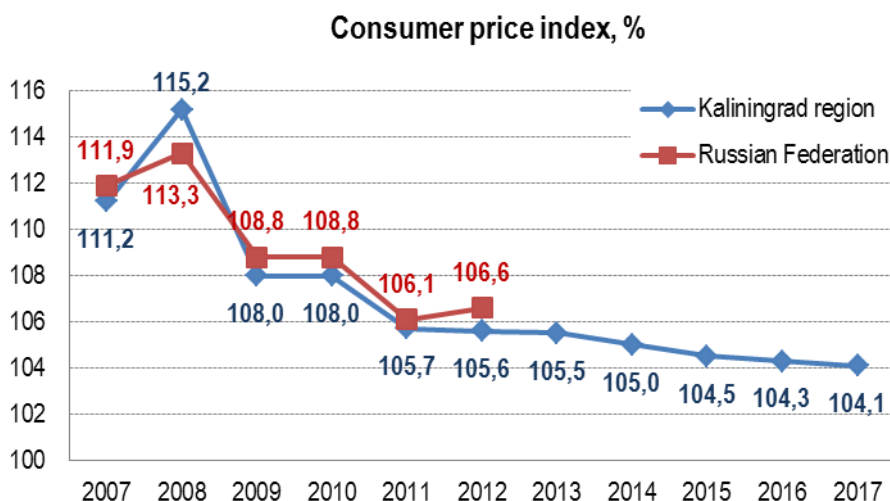
By the present day the regional economy has almost fully recouped the crisis decrease of 2009 and is demonstrating a steady rise of industrial production, agriculture, growth in retail trade turnover, income of population, decrease of unemployment.

Gross regional product of Kaliningrad region in 2011 was 228 billion roubles, according to the estimation of Ministry of Economic Affairs of Kaliningrad region in 2012 it was 247.6 billion roubles. A gain in gross regional product in 2011 was 7.3% compared to the figure of 2010. And in 2012 GRP grew to reach about 3.9%.

The structure of GRP of Kaliningrad region in 2011 unlike previous years the greatest share is represented by manufacturing.



Consumer price index in 2012 was 105.6%, which was a fall by 0.1 percentage point lower than the figure of 2011.



Kaliningrad region in 2012 like in previous three years witness a consumer price index remaining lower than an average Russian level due to lower prices for food and paid services.

Consumer price index in December 2012 in comparison to December 2011 was:

- for food commodities: 105.2% (the RF – 107.5%);
- for non-grocery goods: 105.3% (the RF – 105.2%);
- for paid services to public: 107% (the RF – 107.3%).

In 2012 the Law of Kaliningrad region “On industrial policy in Kaliningrad region” was adopted. The above mentioned Concept was declared by law as a basis for implementation of industrial policy of the region, the procedure of forming industrial areas was defined, powers of state authorities of Kaliningrad region in industrial policy area were set, state supporting measures for industrial activity entities and organizations were fixed, which constitute a supporting infrastructure for industrial activity entities.

Industrial production index in 2011 was 121.8% compared to the figure of 2010, to an average Russian index – 104.7%. In 2012 an industrial production index was 101.6%.

The most significant types of manufacturing activities with regard to their share in total volume of production output are the following: production of vehicles and equipment – over 58%, food commodities production, including drinks and tobacco – over 20%, production of electrical appliances and equipment, electronic and optical equipment – around 9%.

For the whole period of 2012 the production of electrical appliances and equipment, electronic and optical equipment was falling dramatically.

The main reason for cutting down the production in this sector is redirecting of the world brand owners of television and other home appliances to other manufacturers.

The potential of the enterprises contributing to a positive dynamics in 2012 was insufficient to change the situation in the region in this sector on the whole, development of new production sites according to the projects of GS-Nanotech, JSC and Gersan-R, CJSC are undergoing the primary stages. Production output increase compared to the figures of 2011 was shown by NPO Digital Television Systems, JSC. (121.4%) and Kaliningradgasautomatica, Ltd. (112.5%).

The largest manufacturer of home appliances in the region Telebalt Company, Ltd. is planning to fold operations fully.

Production capacities of the major part of manufacturing enterprises are used only partially. A remarkable part of large and medium enterprises of the region (about 70%) has a partial (50 - 80%) capacity utilization and staffing level, which is a significant reserve for industrial production growth in a short-term outlook.

Bank`s profile 2012

Last year became an important stage if Bank's strategic development. In the framework of approved Development Strategy for 2011-2013, aimed at creating an efficient business, leading in Kaliningrad region among commercial banks, special attention was paid to expanding sales channels of Bank as well as development of product range and technologies in the following business directions of priority: retail lending, e-banking and bank's infrastructural projects.

In 2012 Bank started to implement mass transfer of customers-legal entities to the “Internet-bank” system due to the necessity to remove the system “Client-Bank” from service. In the last several years Bank gives particular emphasis on development of distance banking services channels and expansion of their operability.

CB ENERGOTRANSBANK (JSC) maintained the status of a regional leader among lending organizations regarding the number of self-service terminals, volume and number of transactions performed via self-service terminals in Kaliningrad region. As of the end of the year the number of self-service terminals was 222 units, which is 23 units more than in the previous year.

In order to enlarge a client base a range of products offered to Bank's clients was expanded (cash management services for legal entities, retail lending programs, etc.) in the chain of internal structural divisions.

CB ENERGOTRANSBANK (JSC) renders services to the participants of foreign economic activities actively and is one of the few lending organizations in Kaliningrad region holding a permit to issue customs guarantees.

In 2012 the following large-scale projects of Bank were completed:

- a commercial launch of the service “Budget Performing Monitoring” in the framework of “Internet-bank” system took place;
- a banking service “SMS-informing” for retail clients holding international payment cards MasterCard and Visa was put into service;
- a service “Internet-bank” for legal entities was put into commercial operation in Moscow branch;
- a service for legal entities and individual entrepreneurs for consulting on setting software for distance banking services (“Internet-bank” and “Client-bank”) was introduced and relevant tariffs were set;
- a new service was introduced: “ Payment of consular fees of General Consulate of the Republic of Poland in Kaliningrad”;
- a service “Internet-bank” was put into commercial operation for legal entities and individual entrepreneurs in Sovetsk branch;
- on July 10, 2012 Bank entered into the international money transfer system MoneyGram as a direct agent, which allowed to improve performance and quality of servicing Clients while performing money transfers via MoneyGram system;
- terms and conditions for all the range of bank cards were improved significantly:

Concerning individuals:

- an “instant issue” bank card MasterCard Express Card (an unembossed card) with a validity period of 3 years which can be received within 15 minutes after filling in an application form in the head office of Bank was introduced. MasterCard Express Card is a full-function card which can be used to withdraw cash in ATM-machines, settle non-cash payments in retail chains and on-line, pay for utility services, mobile communications and other services;
- validity periods for Maestro and Visa Electron cards are now 3 years;
- MasterCard Standard or Gold and Visa Classic or Gold cards can now be issued either 2 or 3 years.

Concerning legal entities:

- validity period of corporate cards MasterCard Standard, MasterCard Gold and Visa Business was increased from 1 year to 2 years;
- in Head office of Bank and branches large-scale works were performed in order to transfer legal entity clients and individual entrepreneurs from “Client-bank” system to “Internet –bank” system due to decommissioning of old distance banking system and introduction a new instruction for currency transactions in October 2012;
- a block of currency transactions of “Internet-bank” system was brushed up, the relevant refinements were made in Bank’s ABS UBS, clients involved in currency transactions were transferred from “Client-bank” system to “Internet –bank” system. A campaign for transfer of clients was carried out;
- cash transfer technology was improved, a procedure of sending and receiving cash remittances was simplified , which allowed to accelerate services for Bank’s clients concerning cash remittance via international cash transfer systems;
- a system of own payment terminals was improved, now it is possible to use cards Visa and MasterCard issued by any other bank in a self-service terminals.

Participation of Bank in associations and professional unions

CB ENERGOTRANSBANK (JSC) is:

- a member of endowment insurance system (Certificate of filing Bank into the Register of bank-members of endowment insurance system No. 625 dd. February 10, 2005);
- a member of international settlement system of the Society for Worldwide Interbank Financial Telecommunications (S.W.I.F.T.);
- an associate member of the bank payments system BEUP;
- a member of Moscow interbank currency exchange market, currency and stock section;
- a member of Association of Regional Banks of Russia;
- an affiliated member of payment system MasterCard WorldWide;
- an associate member of payment system Visa International;
- a member of Russian payment system Zolotaya Korona;
- a member of the Kaliningrad Chamber of Commerce and Industry;
- a professional participant of securities market;
- a participant of international money transfer systems;
- a member of the charge and payment handling system "GOROD";
- a participant of Register of the banks, which are able to act as a surety for Customs Authorities (Notification of 22/11/2012 Federal Customs Agency of Russia);
- a user of the information system Bloomberg;
- a user of the international information dealing system Reuters.

Bank`s business priorities

At present CB ENERGOTRANSBANK (JSC) renders a full range of banking services to public and businesses:

- opening and management of accounts in local and foreign currency for residents and non-residents;
- international money transfer and acceptance of funds without opening an account;
- settlement and cash services to legal entities and individuals;
- remote banking service of Internet-bank system;
- cash collection services;
- brokerage and depositary services;
- employment of funds and acceptance of deposits under various terms and conditions;
- credit and financial services for different customers groups, including factoring;
- securities administration (including government stocks), bill brokerage with securities of Russian issuers, purchase and negotiation of the bills of Russian enterprises and own bills of Bank;
- project financing;
- clients' investment projects estimation;
- purchase, sale, conversion of cash and non-cash currency;

- issuance and acquiring bank cards within payment systems of MasterCard WorldWide, Visa International and Zolotaya Korona;
- operations within the international money transfer systems Western Union, MoneyGram, Contact, Anelik, BLIZKO, Zolotaya Korona, UNISTREAM, Leader;
- trade finance transactions (letter of credit, collection);
- safe custody in individual safe deposit boxes;
- functions of currency control agent (filing transaction certificates for import and export transactions);
- trust management;
- guarantee issuance;
- consulting services.

Basic characteristics of the current status of the Bank

Infrastructure, products and employees:

- a wide range of services: all licenses (general, for depositary, dealing and brokerage activities, transactions with precious metals), collecting, issuing customs guarantees;
- personalized schedules and charges for customer services;
- beneficial currency exchange rates due to direct operation at currency exchange;
- second largest in scale retail chain (after Savings Bank);
- a wide chain of self-service ATMs.

Internal processes and technologies:

- presence of persons taking decisions in Bank's location;
- operating consulting and customer support system for foreign trade activities;
- working week of six days;
- methodological base centralized development division was established and completed, conservatively decentralized approach to processes in business units;
- immediate response to actions of key rivals.

Market position and clients:

- recognizability of the bank in Kaliningrad market business sector involved in cross-border trade (Bank's competence in cash currency exchange market);
- recognizability of the bank in Kaliningrad market thanks to the competence of "Cash Transfer Centre", cash currency exchange, a chain of self-service ATM;
- strategic partnership with the group of companies Avtotor.

Finance:

- a large lending limit for 1 borrower (up to 1 billion roubles) due to high rate of capital;
- availability of resources equal to competitors' ones in value;
- high rates of equity capital as compared to the regional market;
- attractive rates of import letters of credit post-financing in cooperation with Bank Gospodarstwa Krajowego.

Position in the banking system of the Russian Federation

As of 01/01/2013 CB ENERGOTRANSBANK (JSC) had a stable position in the market which is illustrated by the key indexes of Bank's activities (Bank's position in the list of TOP 500 banks of Russia)¹:

Index, million roubles	Position in the rating		01/01/2013	01/01/2012	Deviation, %
	In Russia	In region			
Net equity	204	1	15 472.50	13 123.38	17.9
Floating assets	218	1	1 231.96	1 791.54	- 31.23
Loan portfolio	302	2	3 437.84	2 936.18	17.09
Loans of individuals	260	1	856.69	620.83	37.99
Loans of legal entities	278	2	2 581.14	2 315.35	11.48
Deposit portfolio	189	1	10 518.95	8 544.92	23.1
Deposits of legal entities	129	1	7 843.51	6 832.15	14.8
Deposits of individuals	267	2	2 675.45	1 712.78	56.21
Investments in securities	93	1	3 144.73	3 467.22	- 9.30

On 18/12/2012 the rating agency "Expert RA" raised the credit rating of CB ENERGOTRANSBANK (JSC) to A+ level (very high credit score), forecast according to the rating is "stable".

Financial performance

Item No.	Name	Units	2008	2009	2010	2011	2012
1	Own funds	million roubles	1 883	2 064	3 480	4 470	4 513 ²
1.1.	Own funds without subordinated deposits	million roubles	942	1 032	2 447	3 397	3 484
2	Assets	million roubles	8 967	8 163	9 681	12 851	15 092 ³
3	Profit	million roubles	91	2	100	110	111
4	Return on equity (ROE)	%	4,81	0,09	2,89	2,75	2,46
4.1.	Return on equity (ROE), without subordinated deposits	%	9,66	0,19	4,09	3,24	3,19
5	Return on assets (ROA)	%	1,01	0,02	1,04	1,46	1,07

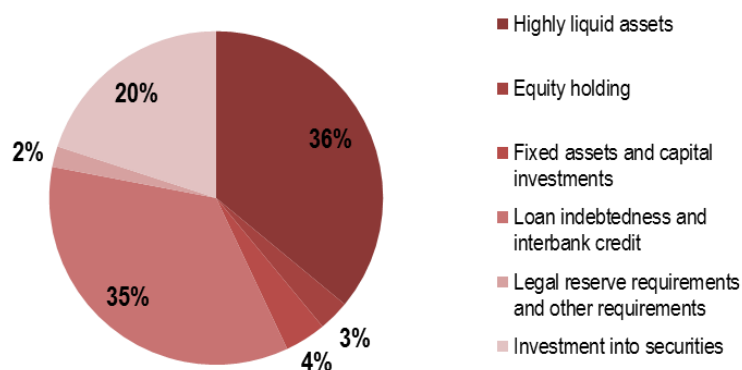
Financial results of Bank's business activities in 2012 were 111.28 million roubles, which secure maintaining characteristics considered for defining financial stability for the purposes of Bank's participation in deposit insurance system.

¹According to RBK Rating data, 01/01/2013

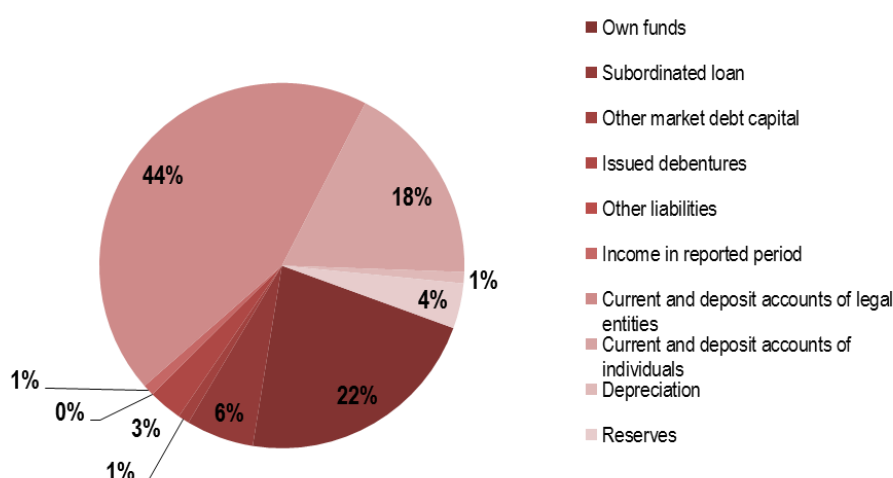
² Figures of equity are shown as of 01/01/2013 on the basis of the form 0409808.

³ An asset value is given as of 01/01/2013 according to the data of the form 0409806.

Asset profile as of 01/01/2013, %



Liability profile as of 01/01/2013, %



Investments into credit transactions and bonded loans prevailed in asset structure of Bank in 2012.

In 2012 Bank was enhancing investment amounts into lending transactions in accordance with the business plan providing growth and performing continuous asset quality monitoring for the purpose of their security.

Actual volume of loan portfolio as of 01/01/2013 was 3 873 million roubles. Taking into account unutilized loan facilities in the amount of 328 million roubles the actual loan portfolio as of 01/01/2013 was 85 million roubles lower than the planned figure. Noncompliance with the plan regarding the loan portfolio did not affect profitability indexes of the Bank due to exceeding planned figures of interest yield from other types of transactions (free funds were used for interbank lending transactions and investments into debt securities).

In 2012 a positive dynamics of reducing a share of problem and uncollectible debt in loan portfolio of Bank.

	An amount of indebtedness under loans provided TOTAL, thousand roubles	Loan indebtedness of IV and V quality category, thousand roubles	Share of IV and V quality category, %
01/01/2012	3 078 572.94	234 207.12	7.61
01/07/2012	3 852 416.63	205 248.73	5.33
01/01/2013	3 873 083.63	288 492.58	7.44

A level of problem and uncollectible debt rose in the fourth quarter of 2012 due to an increase of loan indebtedness amount referred to the problem quality category.

As additional resources of active transactions funding were found due to the expansion of a resource base as deposits of individuals and legal entities were attracted, the total amount of bank's investments into other active

transactions apart from the loans exceeded the estimated figures, particularly investments into bonded loans exceeded 3 billion roubles as of 01/01/2012.

Total value of Bank's investments into bonded debt portfolio in Russian roubles was formed as of 01/01/2013 and made up 2 256 million roubles, which was 1 071 million roubles more than the estimated figure.

Total value of Bank's investments into Eurobonds in foreign currency was 977 million roubles as of 01/01/2013, which was 118 million roubles more than the estimated figure.

The dynamics of client's account balance in 2012, including the accounts of large depositors, reached the figures exceeding estimated values.

Bank optimized the figures of interest spread of transactions carried out due to investing the said funds into short-term deposits with Bank of Russia, short-term fund investment operations, including transactions under IBC, repo agreements at MICEX.

The abovementioned factors allowed the bank to keep an acceptable figure of interest spread of transactions performed in 2012 regardless the general dynamics of interest spread reduction in banking sector, and provided for a positive dynamics of net interest yield compared to 2011 (net interest yield in 2012 rose by 35% as compared to 2011 and exceeded 500 million roubles).

Net fee and commission income in 2012 went over the estimated figures by 16% and was over 120 million roubles in total value.

Net earnings (expenses) from currency transactions in 2012 exceeded this figure of 2011 and in total went over 220 million roubles.

Net operating income recognized as a financial outcome of business activities before tax and correcting reserve values for possible loss, in 2012 was 360 million roubles, which was 146 million roubles more than in 2011.

Business survey

Legal bodies servicing

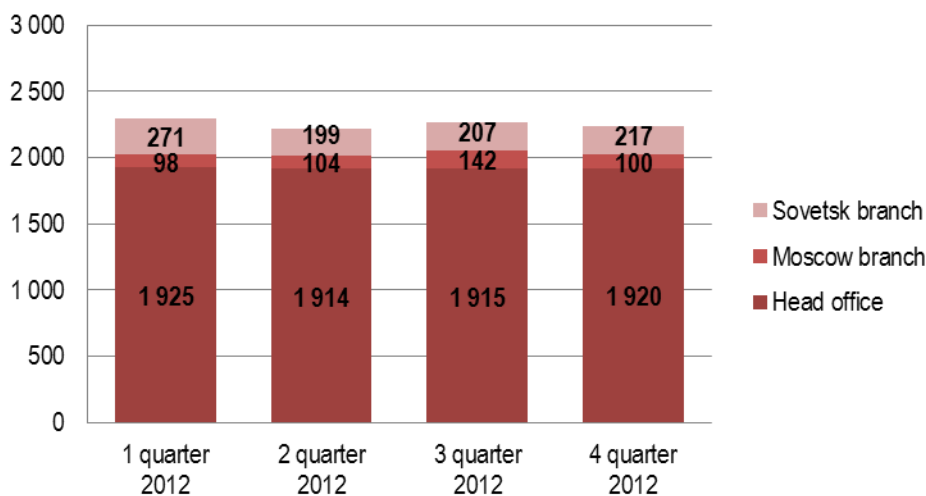
Name	01/01/2009	01/01/2010	01/01/2011	01/01/2012	01/01/2013
Number of legal bodies, items	4 198	4 661	5 026	5 923	6 261

As of 01/01/2013 accounts for 6 261 clients were open. It is seen from the comparative analysis of the client base that there was a steady rise in the number of clients as compared to the previous year the number of clients was 338 more.

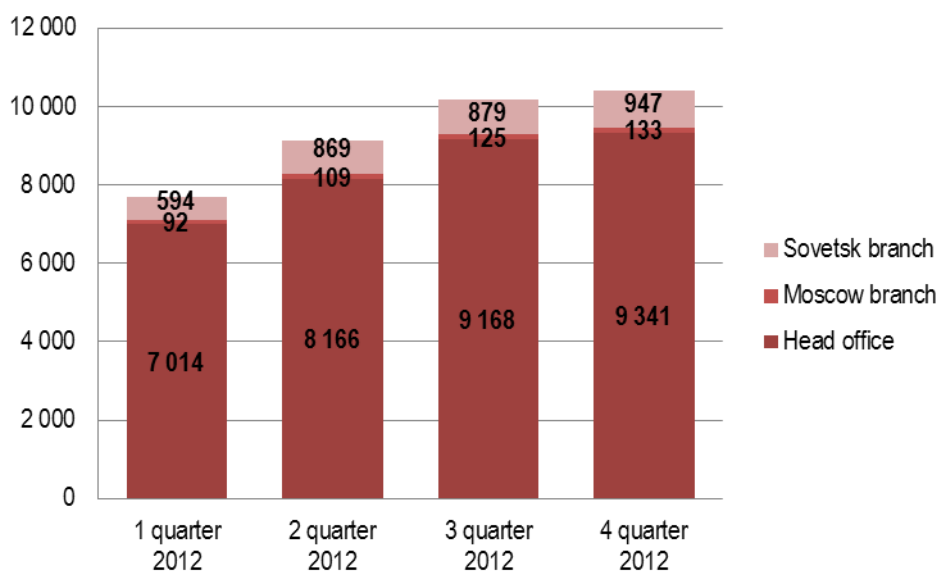
Earnings from settlements and cash services to legal entities and individuals in 2012 went up by 26% compared to the same period of the previous year and were 112.076 million roubles.

A significant increase of the number of non-cash currency sale and purchase transactions performed by Bank defined a rise of earnings from this type of transactions, which exceeded 200 million roubles and were as much as 1.76 times bigger than in 2011.

Number of import/export transaction passports (PCS) for banking services



Number of currency exchange transactions



The number of processed documents increased in all divisions of Bank and was between 53 and 71 per cent. This rise is closely connected to the number of clients' currency transactions, which also showed a remarkable annual dynamics.

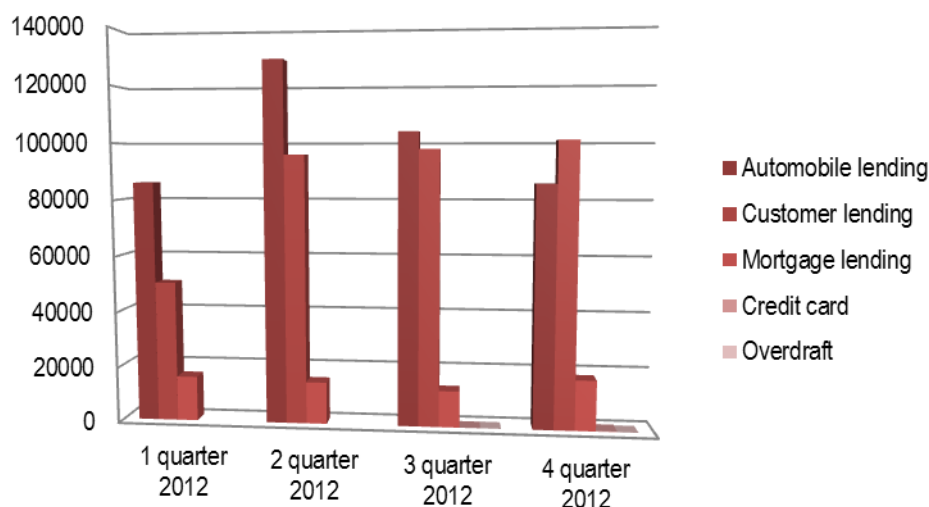
Servicing of physical bodies

Name	01/01/2009	01/01/2010	01/01/2011	01/01/2012	01/01/2013
Number of clients, physical bodies, items	11 175	11 859	13 513	15 427	17 751

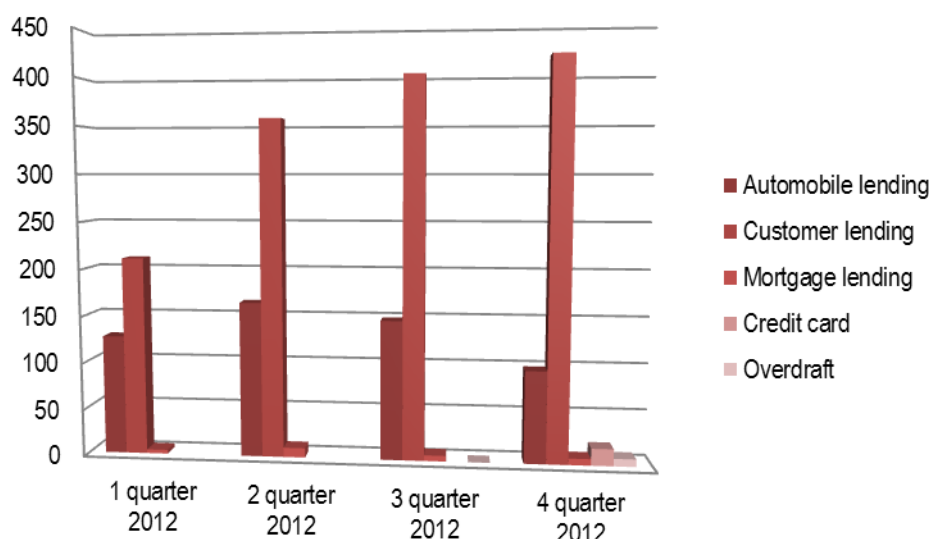
As of 01/01/2013 accounts for 17 751 Bank's clients were open. It is seen from the comparative analysis of the client base that there was a steady rise in the number of clients as compared to the previous year the number of clients was 2 324 more.

In 2012 Bank was engaged with development and promotion of retail lending services. A list of partners in automobile lending at in automobile shows was expanded. A new product "Credit Card" was introduced in IV quarter.

Dynamics of the amount of accepted applications (thousand roubles)



Dynamics of the number of accepted applications (PCS)



In 2012 a stable number of transactions for **cash transmittance by order of individuals** without opening an account via money transfer systems were carried out. This service is provided to clients in longer working hours: Monday to Sunday from 09-00 to 19-00. At present Bank operates in 8 systems: Money Gram, Contact, Anelik, Zolotaya Korona, Western Union, Blizko, Unistream and Leader. The number of transmittances performed is growing: in the 1st quarter – 37 212, in the 2nd – 41 286, in the 3rd – 78 498 and in the 4th – 42 529. Earnings from these transactions are growing correspondingly.

Name	01/01/2009	01/01/2010	01/01/2011	01/01/2012	01/01/2013
Banking cards (items)	6 031	5 823	7 800	9 700	12 589

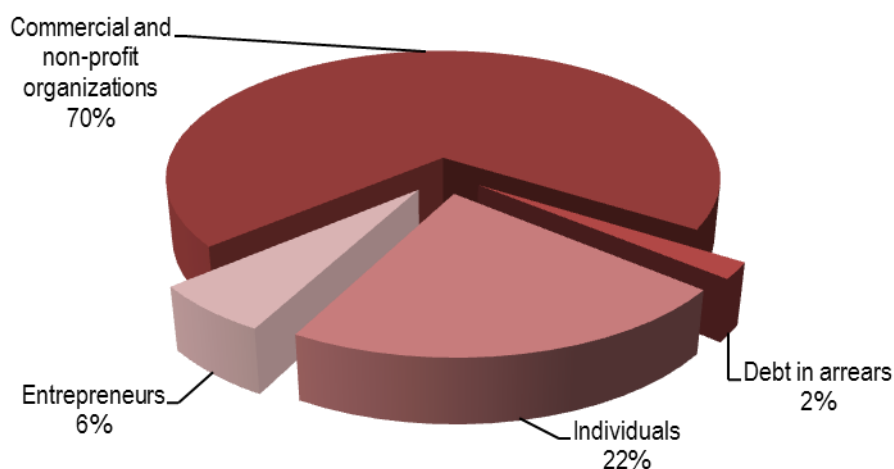
In the framework of client base expansion and receiving additional earnings, in the part of servicing payroll projects, Bank's operations were aimed at attracting new customers and enlarging the number of payroll cards held by existing clients.

Credit business

Name	01/01/2009	01/01/2010	01/01/2011	01/01/2012	01/01/2013
Volume of credit portfolio (thousand rubles)	1 218 963	1 265 093	1 279 028	3 078 567	3 873 076

Throughout 2012 CB ENERGOTRANSBANK (JSC) kept the positive dynamics of loan transaction development and sufficient quality of loan portfolio due to reducing the share of problem and uncollectible indebtedness.

Loan portfolio of Bank as of 01/01/2013

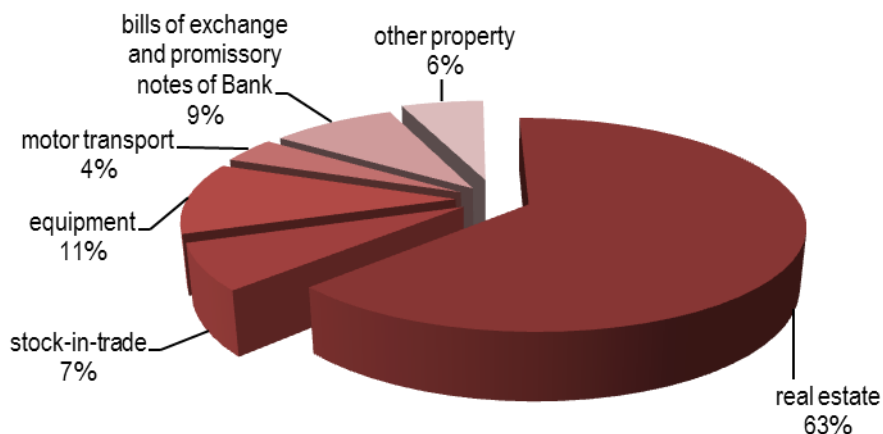


Total amount of actual bank portfolio with regard to the loans to legal entities and individuals increased 25.83% from 3 078.6 million roubles to 3 873.1 million roubles within the year.

In 2011 loan granting procedure meant thorough investigation of a business of potential borrowers, impartial assessment of their financial status and their solvency for the purposes of credit risk reduction.

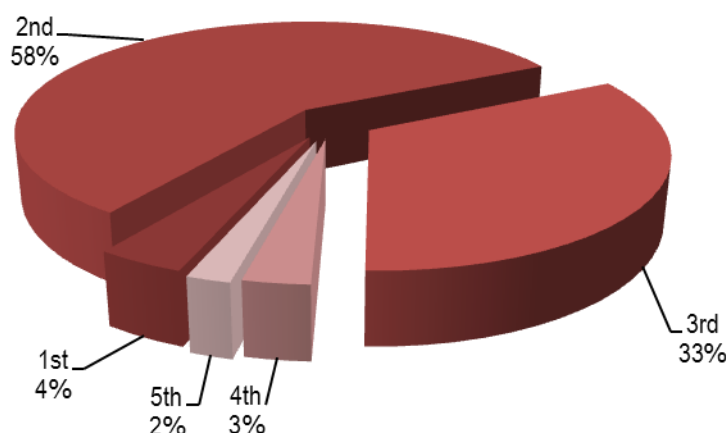
While choosing a pawn from the ones offered by the borrower a real estate (mortgage) was preferred as the most secured mean to ensure obligations of a client before the Bank.

Accepted collateral of CB ENERGOTRANSBANK (JSC) as of 01/01/2012



As the loan portfolio increased its quality did not deteriorate. Thus, as of 01/01/2013 the loan portfolio was 3 873 076 thousand roubles, loss provision was formed as 14.3 % of debt on loans. 62% share of the whole portfolio was presented by loans of the 1st and 2nd quality category. 33 % of loan portfolio was a share of loans concerned to be the 3rd quality category.

Loan portfolio of CB ENERGOTRANSBANK (JSC) quality categories as of 01/01/2013



Main lending priorities implemented by Bank takes into account specific features of economy of Kaliningrad and Moscow regions and are aimed at high quality support for business of Banks' clients.

Legal bodies lending

Name	01/01/2009	01/01/2010	01/01/2011	01/01/2012	01/01/2013
Loans to legal bodies (thousand rubles)	1 134 841	1 191 185	1 195 261	2 457 453	3 013 469

In 2012 48 loans were granted to legal entities and entrepreneurs by Bank, including 32 loans provided by Headquarters of the Bank.

The number of corporate loans provided and bank guarantees issued by CB ENERGOTRANSBANK in 2012 was:

	Total	Head office	Sovetsk branch	Moscow branch
Loans to legal entities and individual entrepreneurs	66	43	18	5
Bank guarantees	114	99	8	7

Altogether 120 legal entities borrow from Bank, including 72 customers of the Head office, 38 customers of Sovetsk branch and 10 of Moscow branch.

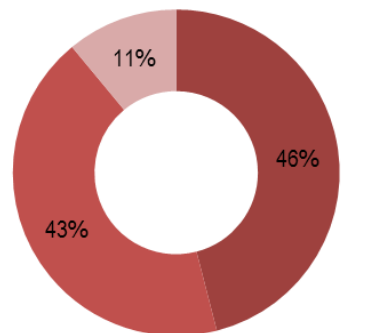
Granting loans to new customers as a rule is accompanied by opening accounts not only for borrowers but also for guarantors, providing clients with the whole range of services meaning foreign trade contracts servicing, settlement and cash services, etc. Thus, loans to new clients provides not only increase of earnings from lending transactions, but also rise in earnings from complex of services provided to customers (foreign exchange control, settlement and cash services, purchase of foreign currency, etc.).

Lending of physical bodies

Name	01/01/2009	01/01/2010	01/01/2011	01/01/2012	01/01/2013
Loan portfolio with regard to individuals	84 122	73 908	83 767,0	621 114	859 607
– personalized loans to individuals	84 122	73 908	83 767	564 546	648 052
– loans to individuals under standard programs	0	0	0	56 568	211 560

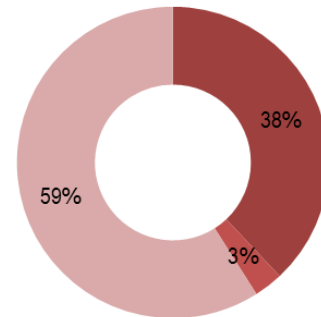
CB ENERGOTRANSBANK (JSC) appeared in the retail lending market of Kaliningrad region in August 2011, moreover, as of 01/01/2013 the total loan portfolio of the Head office in retail lending was 211 560 thousand Russian rubles.

Retail loan portfolio as of 01/01/2013



- Loan for purchase of automobile vehicles
- Consumer loans
- Loan for acquiring real estate (mortgage)

Portfolio of loans for individuals on personalized ground in view of divisions as of 01/01/2013



- Loans for individuals on personalized ground + POS (Head office)
- Loans for individuals on personalized ground + POS (Sovetsk branch of CB)
- Loans for individuals on personalized ground + POS (Moscow branch of CB)

In order to provide methodological support of standard lending transactions relevant regulations and provisions were developed, later highly evaluated by third party consultants.

As far a product line is characterized by such features as quality and productibility, standard lending products allowed the bank to shorten time of processing customers' loan applications and create a model for scaling within the existent chain as well as the federal chain of Bank being developed.

For the development of retail lending programs the following partners (trade organizations, credit brokers) were engaged and authorized, insurance companies were selected and agreed:

- 10 insurance companies of federal level (one more insurance company is undergoing the approval stage);
- 48 partners (45 partners in automobile lending and consumer lending, 3 partners in mortgage lending)

Development of channels of sales

Head Bank	Kaliningrad
Branch offices	Sovetsk, Moscow
Supplementary offices	Baltyisk, Chernyakhovsk, Gusev Gurievs, Sovetsk
Prospective markets	North-Western region (Saint-Petersburg)

In compliance with the strategy Bank is developing divisions in municipal centres of Kaliningrad region as the main target market as well as certain divisions in Moscow region, improving its branch chain and striving to secure bits presence in municipalities with a high levels of economic and social development, steady client stream related to external factors (like border crossing points, for example).

Points of sale are opened in compliance with the consistent standards, providing convenient office location, unified set of banking products (mainly universal), uniformity of design.

Banking products are sold mainly through own retail chain.

In 2012 the greatest efforts were focused on improving transaction efficiency and enhancing performance in the chain of internal structural units (ISU).

Furthermore, a number of steps were taken for preparation of opening prospective divisions, and in particular, Bank obtained an approval from Victoria Group of Companies concerning renting premises in the checkout area of Victoria supermarkets by Bank for arranging internal structural units in 2013.

Name	01/01/2009	01/01/2010	01/01/2011	01/01/2012	01/01/2013
Number of divisions	23	18	18	20	22
Number of ATMs	10	13	14	26	43
Number of self-service terminals	0	9	99	199	222
Number of POS-terminals (merchant accounts)	60	10	14	53	174

Meanwhile Bank is developing systems of distant service and self-service, the key goals of which are providing convenient and timely services for present customers and reducing client stream in Bank's points of sales.

Social responsibilities of the Bank

In 2012 over 600 thousand roubles were spent on charity.

Among the most significant actions donations to non-profit organizations for the purposes of arranging art classes for disabled children could be mentioned. Bank contributed to organizing New Year events and buying New Year gifts for children in orphanages.

Regional War Veteran Committee was supported by a subscription for periodicals. Bank furnished a financial assistance in buying school supplies for children living in an orphanage in Sosnovka village. Slavsk village (Municipality Gvardeisk district) was helped to buy New Year gifts for children. A donation was also given to Russian Red Cross.

Development perspectives

According to the adopted strategy in 2013 CB ENERGOTRANSBANK is going to keep and strengthen its position in financial and banking service market by means of full satisfaction client needs, improvement of quality control and quality management system, and enhancement of internal operations efficiency. Achievement of strategic goals and objectives will be conditioned by improvement of customer policy, commitment to a consumer of banking services, creating flexible and efficient system of interaction with customers based on the recognizing needs of different target groups, implementation service quality continuous improvement principle. In 2013 CB ENERGOTRANSBANK will face the objective of improvement business performance; Bank will aim at strengthening its market position in Kaliningrad region and increasing its market share in other regions of priority.

In 2013 Bank will offer standard lending products to small and medium businesses of Kaliningrad region, optimize its offer of depositary products for legal entities and individuals.

Bank is planning measures to improve its sales network in Kaliningrad region. Moreover, Bank is developing actively a chain of self-service terminals, keeping a status of a leader in Kaliningrad region and increasing business turnover in the market in this segment.

Quality and reliability remain the key characteristic features of CB ENERGOTRANSBANK (JSC), so Bank will continue gain in efficiency of operating activities combined with improvement of risk management system and optimization of internal business processes.

In order to attract customers and promote banking products Bank will be actively engaged into development of partnership programs with centres of concentration of clients in Russia and abroad.

Thus, in 2013 the Board of Directors of CB ENERGOTRANSBANK (JSC) has defined the following development directions:

- entering SME market with an offer of standardized financial services (lending programs for SME with clear criteria for decisions on granting loans);
- introducing new business processes and technologies;
- optimization of a chain of structural units and development of cross-sales (due to wide infrastructure);
- improvement of product range in accordance with target client groups;
- intensification of cooperation with Bank's strategic partners;
- enhancement of internal operation efficiency by means of up-to-date elements of a software complex.

To implement the strategy efficiently Bank will continue quality improvement in the core operating activities:

- an integrated risk management system;
- a system of business planning and management reporting, in particular, cost management system;
- customer service quality;
- banking technologies;
- HR policy and personnel training;
- organizational structure from the point of view of a customer-centric approach.

Major transactions

Transactions recognized in compliance with Federal Law No. 208-FZ of 26/12/1995 "On joint stock companies" (hereinafter – Federal Law "On joint stock companies") as significant ones as well as other transactions which are covered by a significant transaction approval procedure in accordance with Articles of Incorporation of Bank. There were no significant transactions in 2012.

Interested party transactions

In 2012 in the course of its ordinary business activities CB ENERGOTRANSBANK (JSC) closed 5 transactions recognized in compliance with Federal Law "On joint stock companies" as transactions of interest.

A list of transactions of interest in compliance with the requirements of Federal Law "On joint stock companies", statutory regulations of the federal executive authority for security market and Article 26 of Federal Law No. 395-1 of 02/12/1990 "On banks and banking activities":

Name of counterparty	Subject of transaction, significant terms and conditions of transaction	Management body of CB ENERGOTRANSBANK (JSC), approved the transaction
Garant Capital, Ltd.	Bank guarantee Amount – 1 998 600 roubles Commission – 1% of guarantee amount Term - 365 days	General Meeting of Shareholders CB ENERGOTRANSBANK (JSC)
S. P. Soloviev	Loan Amount – 7 000 000 roubles Interest rate 10.5% per annum Term – 5 years	Board of Directors CB ENERGOTRANSBANK (JSC)
I. V. Gustova	Loan Amount – 50 000 USD Interest rate 8.5% per annum Term – 4 years	Board of Directors CB ENERGOTRANSBANK (JSC)

Name of counterparty	Subject of transaction, significant terms and conditions of transaction	Management body of CB ENERGOTRANSBANK (JSC), approved the transaction
T. G. Pankova	Loan Amount – 50 000 USD Interest rate 8.5% per annum Term – 4 years	Board of Directors CB ENERGOTRANSBANK (JSC)
S. L. Kokurin	Loan Total available amount – 213 898 roubles Interest rate 12% per annum Term – 1 year	Board of Directors CB ENERGOTRANSBANK (JSC)
	Loan Amount – 1 500 000 roubles Interest rate 10.5% per annum Term – 3 years	Board of Directors CB ENERGOTRANSBANK (JSC)

Transactions on purchase of share in the authorized capitals of the third party companies

There were no transactions for sale and purchase of shares in third party equity capital in 2012.

Risk management

Organization principles and approaches to risk management system are defined by the Risk Management Policy (hereinafter referred to as Policy), approved by the Board of Directors of Bank. The Policy determines goals, objectives, principles and means of management of typical banking risks, approaches to carrying out risk stress testing. For the purpose of efficient control of risk limit values and sufficiency of the capital to cover typical banking risks the Board of Directors of Bank defines the risk limit of aggregated risk, limits of typical banking risks.

Aggregated risk level is defined by adding actual values of typical banking risks.

A typical banking risk value is defined by matching quantitative value of risk and own funds (equity) of Bank.

Risk limit values are set by the Board of Directors in accordance with plans of bank development, defined in the Development Strategy and Business Plan of Bank on the basis of the nature, scope and structure of bank's transactions in the planning horizon.

Administrative Board of Bank organizes operating activities related to risk management system issues in the part of rights division and delegating powers in risk management, adopting internal documents of risk management, defining risk limits for transaction types, counterparts, borrowers, related parties, parties related to the bank (setting limits); takes decisions on measures to minimize risk affects of the bank, including those taken after stress-testing; considers reports of an independent structural unit on typical banking risk evaluation (Risk Management Department) and defines aggregated risk and typical risk values.

Functional duties of Risk Management Department include organization of typical risk management in terms of risk identification, monitoring, estimation of their value and implementation of measures to minimize risks, calculation typical risk values and aggregated risk value. Head of Department is a person taking decisions on value of loan depreciation, loan indebtedness and other assets of the bank in the process of preliminary and subsequent assessment of credit risk value.

Market risk

Market risk is a risk of financial loss as a result of adverse changes in the market price of financial instruments: securities, derivative financial instruments, foreign currency exchange rates or precious metals.

Market risk management methods:

- following investment strategy of Bank, defined in compliance with Business Plan of Bank;

- asset diversification;
- optimization of securities portfolio (defining the structure of portfolio);
- utilization of limiting system;
- fixing limits for open foreign exchange positions;
- continuous monitoring of market risk level;
- application of dynamic response actions of control and restriction of market risk value (application orders for closing positions, limitations, etc.).

Bank recognizes a stock market risk and an exchange risk in the structure of a market risk.

Stock market risk is a risk of loss as a result of adverse change in market price of quoted debt and equity securities, acquired by Bank for the purpose of forming own security portfolio as well as securities Bank has claims or liabilities for as a part of futures transactions, or market price of derivative financial instruments.

Exchange risk is a risk of loss as a result of adverse change in foreign currency exchange rates and/or precious metals.

Market risk management is carried out for the purpose of soundness of assets and capital due to reducing (exclusion) possible loss related to change in market price of financial instruments.

For financial instruments of trading portfolio – debt securities, investments in which exceed 10 000 000 (ten million) roubles, stock market risk is assessed at the index VaR (Value at Risk).

Regarding other investments stock market risk is assessed by expertise and the assessment includes an analysis of market trends, macroeconomic factors, financial stability of security issuers.

Exchange risk is assessed by means of defining actual value of open exchange positions in certain kinds of foreign currency and precious metals with regard to position sign; actual value of a balancing position in Russian roubles, forecasted value of a balancing position in Russian roubles, on the basis of estimation of prospective change of open exchange position of certain kinds of foreign currency and precious metals in case of change in bank's open exchange position limit set within the standard for an open exchange position by an authorized body of Bank.

Interest rate risk

Interest rate risk is a risk of loss as a result of adverse change in interest rates of assets and liabilities of the bank, which determines reduction of interest rate spread of truncations performed.

Identification of interest rate risk means assessment of possible risk of income reduction or loss as a result of the factors having an adverse impact on the interest spread level and interest margin of transactions.

Monitoring interest rate risk includes:

- control of indexes of interest margin of transactions;
- control of indexes of interest spread of transactions.

In order to control interest rate risk value bank defines effective levels of interest spread of transaction in accordance with the business plan securing achievement of planned profitability of operations.

Price risks are recognized on the basis of

- analysis of sensitivity to change in interest rates (assessed through financial stability of the bank as a result of a change in interest spread due to a fall in average active rates and a rise in average passive rates);
- analysis of sensitivity to change in foreign currency to Russian rouble exchange rates.

Other price risks are risks of fluctuation of fair value or future cash flows of a financial instrument as a result of change in market price (except for changes resulted from interest rate risk or exchange risk) regardless the fact if such changes were caused by factors characteristic of this instrument or its element or the factors affecting all similar instruments circulation of the market.

Credit risk

Credit risk is a risk of loss as a result of full or partial loss of asset value as well as a risk of liabilities related to contingent liabilities of credit nature.

Credit risk management includes a system of separating rights and delegating powers for taking decisions on closing lending transactions, existence and application of internal regulations for forming investments into loans, loan indebtedness or other indebtedness equaled to them, including:

- Loan Policy, defining principles and approaches to lending, forming investments associated with a credit risk;
- Rules of lending to legal entities;
- Rules of lending to individuals;
- Regulations on the “Procedure of provision for possible losses on loan and similar indebtedness”;
- Regulations on Credit Committee;
- Regulations on credit risk management;
- Regulations on handling the collateral and others.

In order to define a quantity value of credit risk and prevention of exceeding its limit, set by the Board of Directors, Bank fixes the risk limit for assets associated with credit risk not covered by a collateral value of pledged property as well as provisions for possible loss.

Liquidity risk

Liquidity risk is a risk of loss of financial stability of the bank regarding liquidity index and as a result, a risk of loss resulted from inability of the bank to fulfill its liabilities timely and fully.

One of the methods of liquidity risk management is forecasting a liquidity status for short term, medium term and long term prospects in order to identify timely liquidity loss risk events, and control the balance of assets and liabilities with regard to terms and amounts in accordance with current approaches to provision of resources for forming investments.

Bank implements the following approaches to liquidity risk management:

- cash flow management, including forecasts of liquidity;
- ratio method of liquidity management.

In the process of liquidity management and loss of liquidity control the bank estimates the risk of loss of liquidity as a potential costs value related to recovery of financial stability with regard to liquidity index.

Operating risk

Bank's dependence level on operating risk is controlled by means of an analysis of operating risk factors found on the basis of risk indicators. Operating loss statistics records actual costs formed as a result of operating risk events. Resulting from the control of operating risk value a deviation of actual value of operating loss and maximum limit of operating risk is defined according to the requirements of Bank of Russia on defining operating risk value for the purpose of calculation bank's capital adequacy standard.

Strategic risk

Bank's dependence level on strategic risk is controlled by means of defining values of indexes recognized at determination of financial stability of the bank concerning the indexes of the capital, assets, liquidity, profitability with an account to actual values and forecasted figures according to the bank's business plan.

Strategic risk level is recognized in the amount of additional costs related to the necessity to secure financial stability in the indicated group of indexes.

Legal risk

The level of legal risk is defined as a potential value of loss possible in case of occurrence legal risk events.

Reputational risk

The level of reputational risk is defined as a potential value of loss possible in case of occurrence reputational risk events determined on the basis of risk indicators.

Information security risk

Information security risk is estimated by means of defining as a potential value of loss possible in case of occurrence of the event of full or partial loss of information asset. For the purposes of the indicated risk management inventory accounting of information assets is carried out, a probability of threats for information media objects is determined and gravity level of consequences of threat are estimated for the case of their occurrence.

Information on the volume of each type of energy resources used by joint stock company in the reported year

No.	Name of the type of power resource (energy type)	Amount of the power resource used	
		In volume terms	In monetary terms (thousand roubles)
1	Electric power, kW/hour	861 717.91	3 010.6
2	Heating energy, Gcal	83.54	145.5
3	Diesel fuel oil, tons	56.5	1 837.2
4	Automobile petrol, litres	49 395.33	1 306.4
5	Automobile diesel fuel, litres	30 580.00	743.7
6	Natural gas, thousand cubic metres	6.48	29.3

Corporate code of conduct

By reference to the efficiency of corporate management of CB ENERGOTRANSBANK (JSC) in its business operations keeps to a **corporate code of conduct** and finds it to be one of the most important conditions of its stable and successful work, keeping to high standards of corporate management and following business ethics for successful business activities.

CB ENERGOTRANSBANK (JSC) applied the corporate code of conduct recommended by FCSM in compliance with the legislation base of federal, regional and corporate level. Following the Code we managed to keep interests of the shareholders performing business activities of CB ENERGOTRANSBANK (JSC) in the reported year.

Chairman of Administrative Board

Yu.V. Ponomarev

Chief accountant

T.G. Pankova