

Ak Bars
Bank



AK BARS BANK: KEY HIGHLIGHTS

2019

Ak Bars Bank: General Profile

ASSETS¹
RUB 514,3 bln.



#1 in the
Republic of Tatarstan



Worldwide correspondent
network, solid history
in international DCM

EQUITY
RUB 75.3 bln.



Universal bank among
**TOP-20² Russian
financial institutions** by
assets and equity



Stable track record
of banking innovations

NET PROFIT
RUB 5,0 bln.



Listed among **36** significant
credit institutions in
payment services by Central
Bank of Russia



Government of the
Republic of Tatarstan –
the major shareholder

1: Source: IFRS accounts for 9 m. as of
30.09.2019

2: According to Banki.ru as of 1.04.2019

Ak Bars Bank branch network

230

Offices
across Russia

132

Representative
offices

81

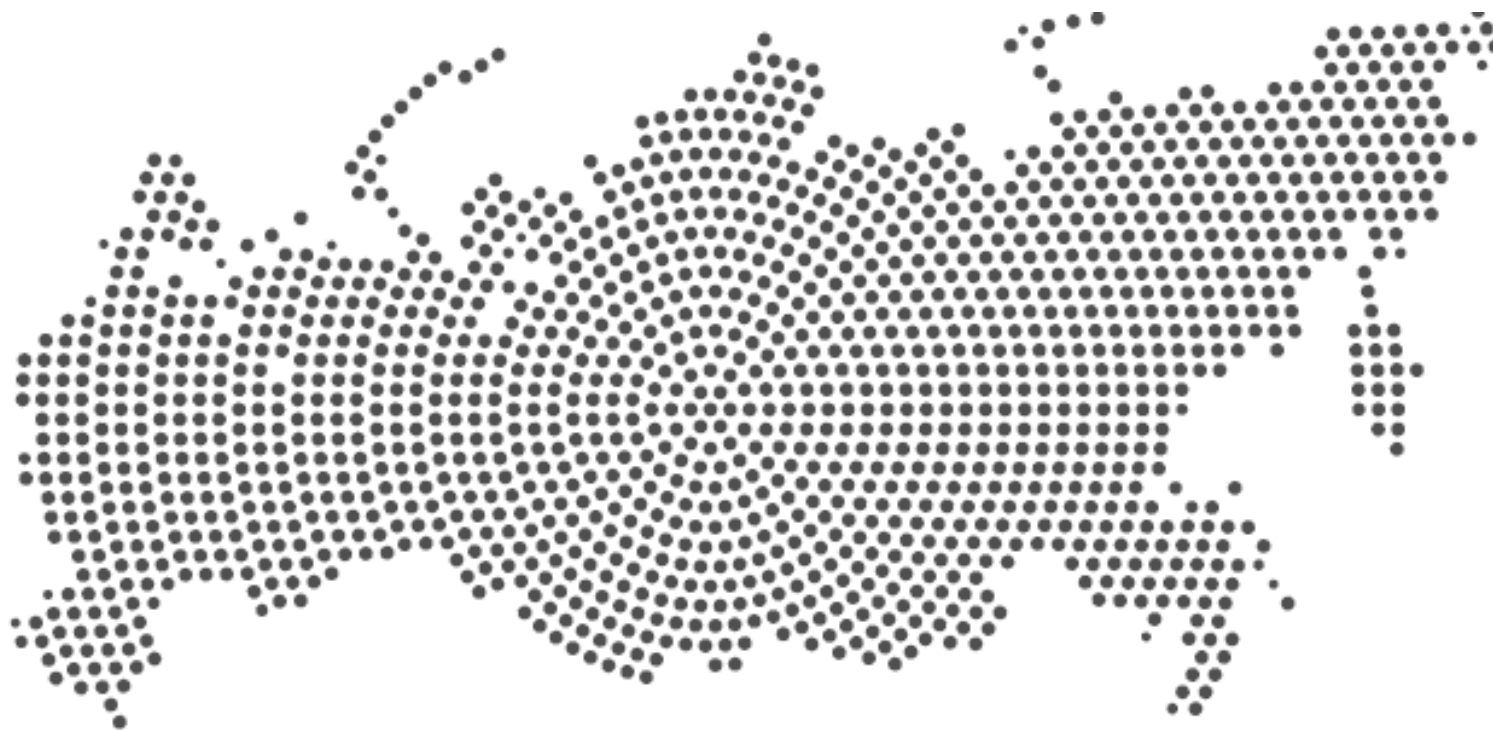
Operating
offices

5

Branches
in largest cities
of Russia

12

Operating
cash desks



Ak Bars Bank Ratings

Russian Federation

**Analytical Credit
Rating Agency**
A — (RU)
Positive¹

RAEX
ruA-
positive²

International

**Moody`s
Investors Service**
B1/Stable³

**TOP-10 Russian
banks among
World`s Best
Banks by Forbes⁴**

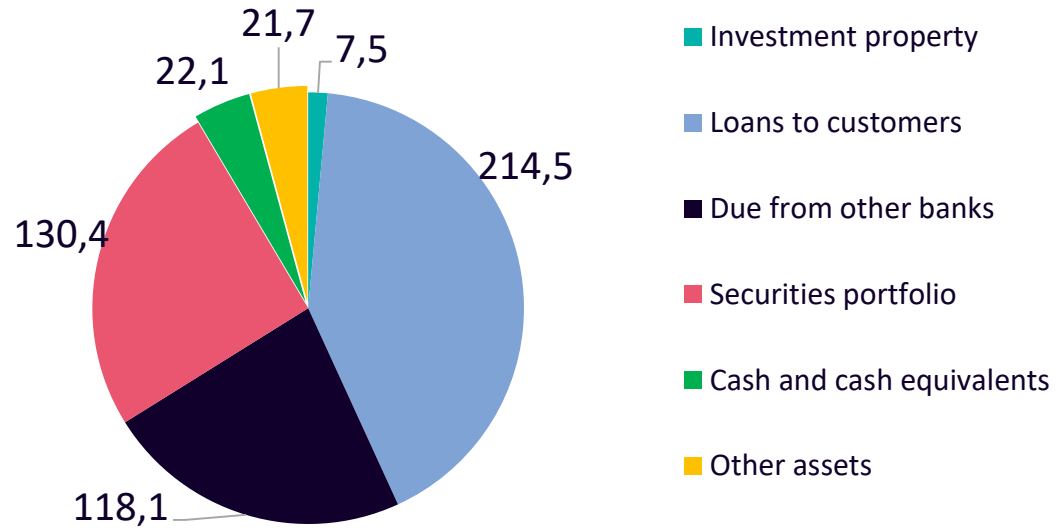
(1) According to Analytical Credit Rating Agency (ACRA), as of 11 December, 2019

(2) According to "EXPERT RA" rating agency, as of 2 April, 2019.

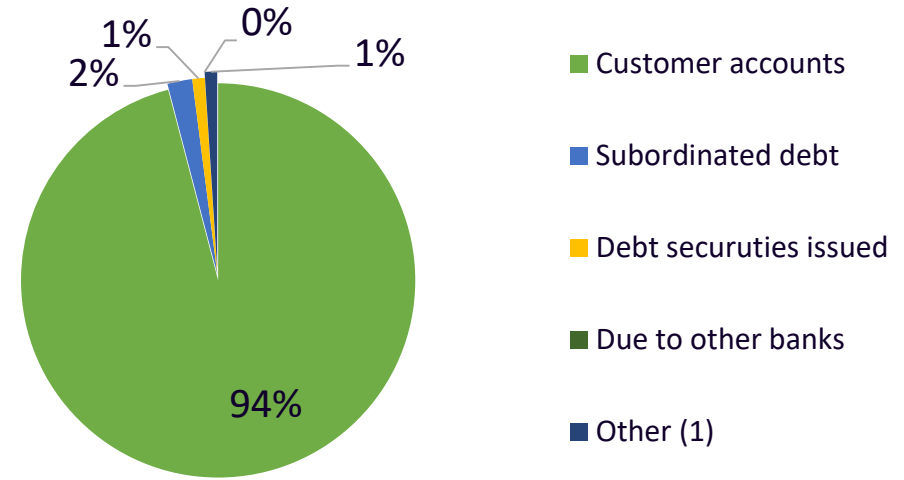
(3) According to Moody`s Investors Service, as of 20 March, 2019

(4) According to Forbes Magazine, as of 26 February, 2019

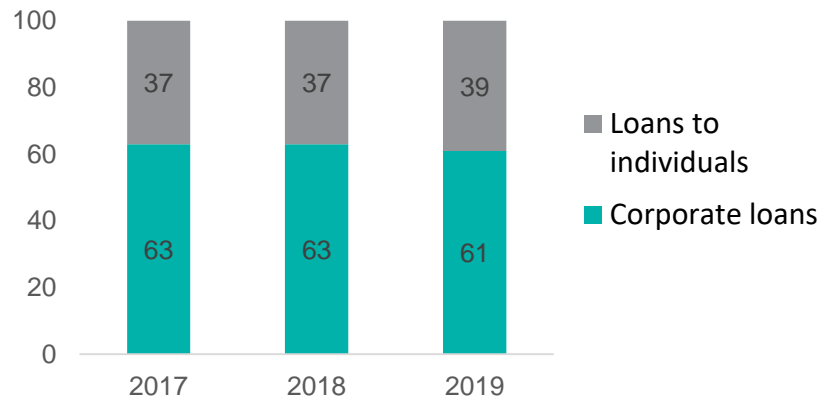
Asset Structure (RUB bln.)



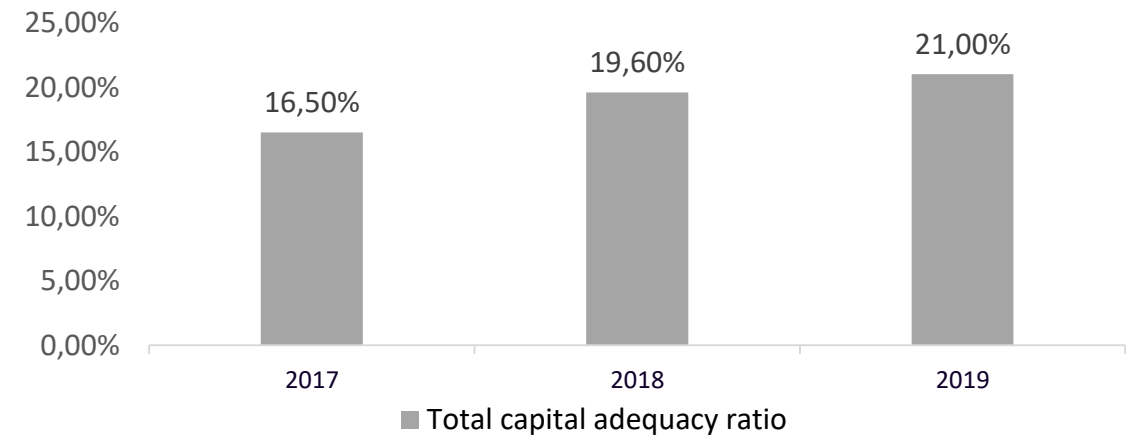
Liabilities composition (%)



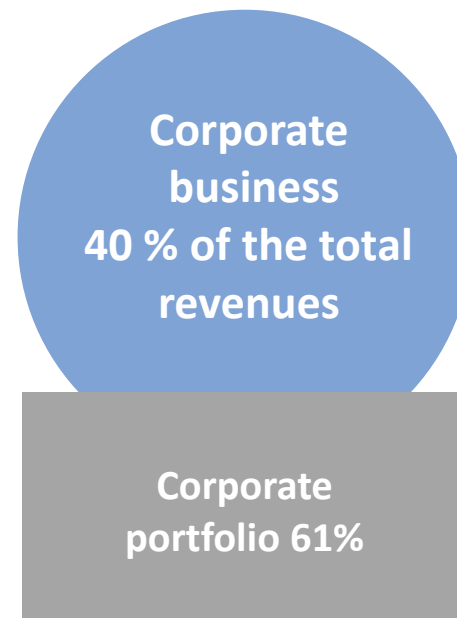
Corporate vs. Retail loans (%)



Adequate capitalization levels according to BASEL III (IFRS)



Business lines





RETAIL BUSINESS

Private customers

Deposits

- Term deposits
- Call deposits
- Current accounts

Loans

- Consumer
- Mortgage

Cards

- Debit cards
- Salary cards
- Prepaid and virtual cards
- Credit card
- Apple Pay

Money transfers

- Unistream
- Western Union
- Contact
- Gold Crown

Investments and brokerage

- Private investment account
- Broker services (PAO Moscow Exchange, Saint-Peteresburg Exchange, over-the-counter market)
- Online trading
- Investments in Eurobonds
- Custody services
- Collective investments
- Trade analytics

Remote services

- Mobile and online banking on AK BARS Online 3.0 proprietary platform
- The bank's independently developed Aimee chat featuring the AI
- Information kiosks with the receipt function for cash and cards, with a broad variety of payment providers, supporting the Public Services functionality, cancellation of loans borrowed from the bank
- ATMs featuring the function of receipt and release of cash, capable of connecting the SMS notification, topping-up and activation of the public transport application. Moreover, the bank purchased ATMs featuring the cash recycling to optimize the costs of the service maintenance.
- P2P transfers for Russian banks at the bank's web-site and from a card of a Russian bank to a card of a Russian or foreign bank with the remote banking services
- Remote services: orders of flagman banks of the bank, consumer loans, loan acceptance based on the bank's quotation, opening of accounts and deposits, including those in precious metals
- Mobile proximity payments: Apple Pay, Samsung Pay, Android Pay, technology support at the acquiring module by the bank
- A modern independently developed Web-site presenting products of the banks and its partners (Ak Bars Bank group). The unauthenticated area of the bank enables P2P transfers, filing orders for debit cards, credit cards, consumer loans, and interaction with the bank's chat.
- SAS Campaign Manager – analytic monitoring tool integrated in all channels of the bank
- API for tools for the release and servicing of prepaid for a quick embedding of the payment system to a partner's interface
- C2B service for partners based on the Quick Payment System
- Capability to pay for 16,000 services, to subscribe for accrual for housing and utility payments, taxes, debts to the Federal Bailiff Service of Russia
- Currency exchange, including at the rate approximated to the market rate

Other services

- Currency exchange
- Payment receipt
- Precious metals
- Impersonal metal accounts
- Safety deposit boxes
- Security
- Post Bank
- Insurance box products
- Endowments plans, non-government pension funds
- TaxFree4U service
- Repayment of the personal income tax online



CORPORATE BUSINESS

Corporate customers

Cash management service

- Accounts for residents
- Accounts for non-residents
- Cash management service packages with industrial services

Non-banking services

- 1C Direct
- Cloud-based accounting “My Business”
- Cloud-based accounting “Contour.Accounting”
- Online cash register
- Legal support
- Contractor audit
- Accounting outsourcing
- Document designer

Online services

- Reservation of bank account
- Account opening online – Personal account
- Ak Bars Business Drive – Online bank for small business
- Ak Bars Business Online – Online banking
- SMS notification
- Mobile application Ak Bars Mobile
- Corporate settlement center

Bank cards

- Salary projects
- Corporate cards
- Trade acquiring
- Online acquiring

Loans to business

- Loans to small business
- Loans to medium and large business
- Leasing

Allocation of funds

- Term deposits in the Russian Rubles and foreign currencies
- Overnight deposits
- Call deposits
- Accrual of interest on the permanent balance in the account

Foreign economic activities

- Cash management service
- Documentary operations
- International guarantees
- Trade financing
- Forex operations

Bank guarantees

- To secure the observance of Federal Laws
- To secure the performance of commercial contracts / agreements
- Conveyor of online guarantees in observance of requirements of public procurements / auctions
- Multipurpose guarantee facilities
- International bank guarantees, including counter-guarantees




Investments and brokerage

- Brokerage at PAO Moscow Exchange, Saint-Petersburg Exchange, and in the over-the-counter market
- Allocation of funds
- Forex operations
- Security-backed financing
- Custody services
- Hedging operations
- Investment analytic support

Investment business

One of the Bank's largest business segments represents 23% of the total revenues (1)

Investment business is represented by

-  Ak Bars Bank
-  Investment Company Ak Bars Finance
-  Management Company Ak Bars Capital LTD

Ak Bars Bank uses a wide range of tools:





- Structured finance
- Bills, trading
- Investment brokerage services
- Repurchase agreement
- Commodity derivatives
- Bonds
- Eurobonds
- Alternative finance
- Interbank lending market

The Bank is a reliable borrower in the domestic debt market, since 2005 — an active participant of the international Eurobond market



TRADE FINANCE

Ak Bars Bank is aiming to build long-term and trusting relationships with foreign financial institutions meeting both Bank's and partners needs and considering economic efficiency of trade finance deals

-  The Bank attracting targeted funding under clients' import contracts including those with participation of export credit agencies of exporting countries.
-  One of the priority tasks- expanding the number of partners and counterparty banks from the CIS to conclude both the Bank's own operations and the implementation of transactions of the Bank's corporate clients.
-  Ak Bars Bank is supporting Russian exporters, providing financing to non-resident banks. The volume of loans to non-residents within trade finance is constantly growing.
-  Since 2015, the Bank has been an active participant of syndicated loans raised by Belarusian banks



Signature deals in DCM



SYNDICATION

Borrower “Belagroprombank”

€ 190 000 000

Lead arranger and participating
bank
2017



SYNDICATION

Borrower – “Belarusbank”

€ 151 000 000

The largest syndication in
CIS markets for latest 1,5
year

Mandated lead arranger
and participating bank
2018



SYNDICATION

Borrower – “Belgazprombank”

€ 117 500 000

Bank- participant
2018



SYNDICATION

Borrower – “Development
Bank of the Republic of
Belarus”

€ 50 000 000

Mandated lead arranger and
participating bank
2018

Realised clients placement projects 2017-2019



RUB 20 000 000 000

Market placement, 20%
oversubscription of the
issue volume

Arranger
2017



RUB 10 000 000 000

Ak Bars Bank
commitment–
RUB 2,5 bln.

Arranger
2017



RUB 10 000 000 000

Ak Bars Bank
commitment –
2,25 bln.

Underwriter
2017



RUB 5 000 000 000

Ak Bars Bank
commitment–
RUB 500 mln.

Co-organizer
2018



RUB 3 000 000 000

Ak Bars Bank
commitment–
RUB 785 mln.

Arranger
2019



RUB 13 400 000 000

Ak Bars Bank
commitment–
RUB 3 bln.

Arranger
2019

Signature deals in DCM

MURABAHA

1-year syndicated
Murabaha financing

USD 60 mln

Debut in Russia and CIS
Awarded the title of
«Deal of the Year 2011
in Europe» by IFN

**Borrower
2011**

AK BARS BANK

Eurobonds

USD 500 mln

The largest unsecured
Eurobond issue in 2012
among CIS banking issuers
with a «B-BB» rating category

**Issuer
2012**

MURABAHA

USD 100 mln

Awarded by special
honorable prize by Islamic
Finance News

**Borrower
2012**

AK BARS BANK

Eurobonds

\$ 350 000 000

The Bank became the first
Russian financial institution
to issue a new benchmark
international hard currency
bond in 2015

**Issuer
2015**

AK BARS BANK

Mortgage bonds

RUB 11 205 274 000

Securitization of mortgage
portfolio

2016

Eurobonds outstanding

Issue	Issue amount, USD bln.	Year	Tenor
LPN - Subordinated Loan (outstanding)	600	2012	10

Domestic RUB bonds outstanding/mortgage loans

Issue	Issue amount, bln.	Year	Tenor	Issue
MA AKBARS	2.5	2014	33	MA AKBARS
MA AKBARS2	11.2	2016	31	MA AKBARS2

Correspondent relations

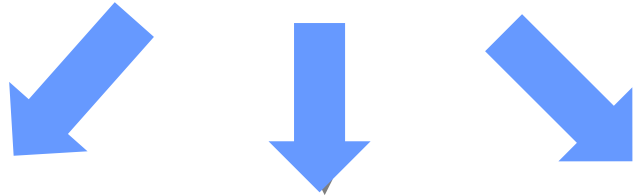
Ak Bars Bank has an extensive correspondent network worldwide, enabling it to execute efficiently and professionally clearing, banknote, and documentary business transactions and other banking operations

Correspondent bank	Currency
USA	
JPMorgan Chase Bank NA	USD
Germany	
Commerzbank AG	EUR/GBP
J.P. Morgan AG	EUR
VTB Bank (Europe) SE	EUR
Austria	
Raiffeisen Bank International AG	EUR/USD
Switzerland	
UBS AG	CHF
France	
SOCIETE GENERALE	EUR

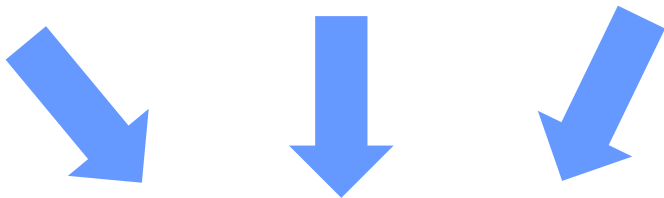
Correspondent bank	Currency
The United Kingdom	
JPMorgan Chase Bank NA	GBP
Turkey	
Turkiye Is Bankasi A.S.	TRY
China	
Agricultural Bank of China Limited	CNY
Republic of Belarus	
BELINVESTBANK	RUB/BYN
BPS-Sberbank	RUB
Azerbaijan	
International Bank of Azerbaijan	AZN
Russia	
Asian-Pacific Bank	JPY
AO «ALFA-BANK»	PLN

Ak Bars Bank Strategy focuses

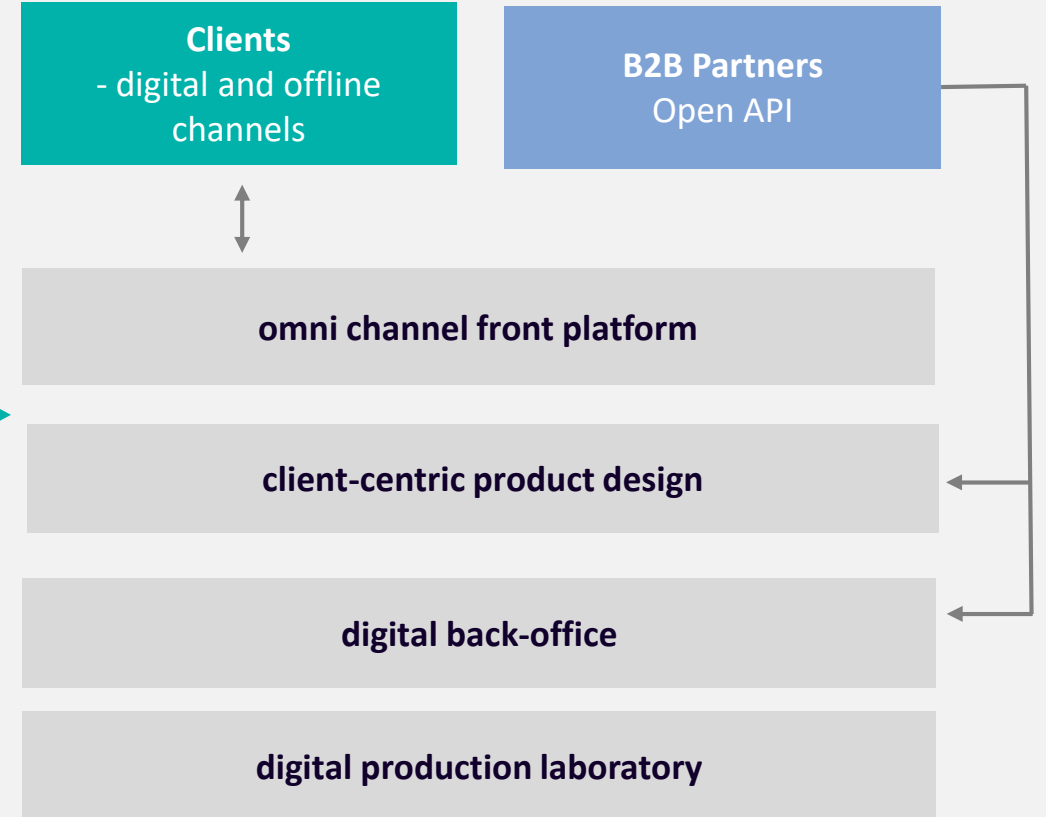
Business goals



Retail Business Corporate Business Investment Business



Strategy Team



Digital banking development



Unified biometric system

At the beginning of 2019
46 Ak Bars Bank offices
across Russia accept
biometric data



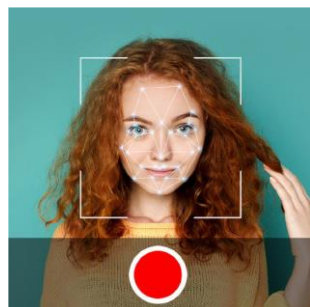
Blockchain technology

At the end of 2018, Ak Bars Bank
made the Bank's first transaction
using a digital bank guarantee. At
the beginning of 2019 first fully
electronic mortgage transaction
was conducted with an electronic
mortgage on blockchain



The Bank's financial ecosystem :

- Online insurance
- Online investing
- Cashback service
- Collateral property
- Open API
- Online magazine Life.Profit



Face2Pay

Bank's self-developed
product: Face2Pay video
validation system. The
client face-recognition
upon the user approaching
to zone of purchase or
control



Express payment system

Ak Bars Bank- participant of
pilot group for
implementation of Express
Payment System.
System allows to make
express transfers between
clients of different banks by
phone number



Conversational banking

Aimee (self-developed product)-
augmented AI, applied in the Bank Call
Center. Operator work optimization
level - 50%

Ak Bars Bank achievements in Fintech



Markswebb Rank and Report: Ak Bars Bank mobile application - among **TOP-3** in Russia



Retail Finance magazine:
The best IT solution in retail business



Awarded for the fastest technical certification on VISA Token Service



TOP 3 "Best online banks" for daily tasks



TOP-5 chatbots by Markswebb



First deals under blockchain



TIME OF
INNOVATION

'Time of innovation 2017' award in 'Finance and consulting' category

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Ak Bars
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