

Information on ZENIT Banking Group IFRS Financial Statements 2016 Release

In accordance with the decisions of the annual general shareholders meetings of Bank ZENIT ZAO “Deloitte & Touche CIS” was appointed as auditor of IFRS consolidated financial statements of ZENIT Banking Group.

After the additional share issue of Bank ZENIT was effected in 2016, ZENIT Banking Group became a member of Tatneft Group. The auditor of Tatneft Group companies under IFRS is AO “PricewaterhouseCoopers Audit”.

In March 2017 AO “PricewaterhouseCoopers Audit” as auditor of Tatneft Group completed the required procedures in the framework of the audit of group forms under IFRS of ZENIT Banking Group for the purpose of preparing IFRS consolidated financial statements of Tatneft Group for the year 2016. Financial results of ZENIT Banking Group have been accordingly reported in Tatneft Group’s financials for 2016 published on Tatneft website: <http://www.tatneft.ru/aktsioneram-i-investoram/raskritie-informatsii/konsolidirovannaya-finansovaya-otchetnost/?lang=ru>.

Pursuant to the group standards of Bank ZENIT’s controlling shareholder PJSC Tatneft the audit services under IFRS will be provided to ZENIT Banking Group by AO “PricewaterhouseCoopers Audit”.

Given the respective recommendation of the controlling shareholder PJSC Tatneft, which was given particularly due to the fact that ZENIT Banking Group’s assets make substantial part of Tatneft Group’s assets, i.e. exceed 25%, the change of the auditor of the Bank’s IFRS financial statements just after consolidation of ZENIT Banking Group’s financials into Tatneft Group’s ones has been initiated is considered reasonable.

In view of the above mentioned the Bank has started a procedure of replacement of ZAO Deloitte & Touche CIS by AO “PricewaterhouseCoopers Audit” as auditor of IFRS consolidated financial statements of ZENIT Banking Group for the year 2016.

On 2 May 2017 the Bank’s Board of Directors approved AO “PricewaterhouseCoopers Audit” as auditor of IFRS consolidated financial statements of ZENIT Banking Group for the years 2016 and 2017, which now is to be approved by the Annual General Shareholders Meeting of the Bank. This question is included to the agenda of the Annual General Shareholders Meeting to be held on 25 May 2017.

AO “PricewaterhouseCoopers Audit” will be the sole auditor for ZENIT Banking Group and Tatneft Group. It will enable Tatneft Group to increase promptness and efficiency of the audit process, to ensure a complex approach to reporting quality control, to optimize audit expenses.

The bank signed a contract with AO “PricewaterhouseCoopers Audit” for audit of IFRS financial statements of ZENIT Banking Group for the year 2016. In accordance with the contract terms the auditor’s report for 2016 is expected to be published on 30 June 2017 at the latest.

The audited RAS financial statements of PJSC Bank ZENIT and other banks of the Group for the year 2016 have been released and disclosed in accordance with the requirements of the Russian legislation.