

Annexes

SHARE CAPITAL

In 2019, the structure of VTB Bank's share capital did not undergo significant changes. There was also no change in the amount of the Bank's charter capital, remaining at RUB 651,033,883,623.38, which is divided into ordinary and preference shares.

SHARE CAPITAL

Type of shares	Number of shares	Nominal value
Ordinary shares	12,960,541,337,338	RUB 0.01
Type 1 preference shares	21,403,797,025,000	RUB 0.01
Type 2 preference shares	3,073,905,000,000	RUB 0.1
Total	37,438,243,362,338	

In accordance with its Charter, the Bank has the right to issue a maximum number of 14,000,000,000,000 ordinary shares with a par value of RUB 0.01 each. The state registration number of ordinary shares 10401000B. The record date for the state registration of the Bank's issue of ordinary shares is 29 September 2006.

The state registration number of the Bank's Type 1 preference shares is 20301000B. The record date for the state registration of the issue is 13 December 2016. All shares of this type are placed at the disposal of a sole purchaser, the Russian Federation, as represented by the *Ministry of Finance of the Russian Federation*.

The state registration number of the Bank's Type 2 preference shares is 20401000B. The record date for the state registration of the issue is 13 December 2016. All shares of this type are placed at the disposal of a sole purchaser, the *State Corporation Deposit Insurance Agency* (hereinafter, the "*Deposit Insurance Agency*").

VTB Bank's ordinary shares trade on *Moscow Exchange* and on the *London Stock Exchange* in the form of *global depository receipts (GDRs)*. *Moscow Exchange* has included VTB Bank's shares in its Tier 1 list. One lot is 10,000 shares.

VTB Bank Type 1 and Type 2 preference shares are not traded on exchanges and do not offer a fixed dividend for the year. The amount of the dividend is subject to approval at the Annual General Meeting of Shareholders.

In addition, the Bank's Charter provides for the possibility of paying out interim dividends.

The total number of shareholders of the Bank as of 31 December 2019 amounted to 160 thousand, including 159 thousand individuals. In 2019, the number of shareholders of the Bank increased by 31 %, or by 35 thousand individuals.

The Bank's largest shareholders are the Federal Agency for State Property Management (12.13 % of the charter capital, or 60.93 % of ordinary shares) and the *Ministry of Finance of the Russian Federation* (32.88 % of the charter capital), as well as the *Deposit Insurance Agency* (47.22 % of the charter capital).

SHAREHOLDER STRUCTURE: HOLDERS OF VTB BANK'S ORDINARY SHARES as of December 2019

Shareholder	% of ordinary shares	% of charter capital
The Russian Federation as represented by the <i>Federal Agency for State Property Management</i>	60.93	12.13
<i>State Oil Fund of the Republic of Azerbaijan</i>	2.95	0.59
<i>Qatar Holding</i>	2.35	0.47
<i>Bank Otkritie Financial Corporation</i>	9.08	1.81
<i>Management-consulting</i>	4.67	0.93
<i>Sistema Capital</i>	1.03	0.21
<i>OTKRITIE LTD</i>	0.02	0.01
Other minority shareholders	18.97	3.75

DIVIDENDS

One of the main rights of shareholders is the right to receive a share of the Bank's net profit in the form of dividend payments. Dividend payments are approved by the AGM, following recommendations made by the Supervisory Council. In determining the recommended dividend amount, the Supervisory Council is guided by the amount of the Bank's net profit and by the Dividend Policy (approved by VTB Bank Supervisory Council, Minutes No 2 as of 29 January 2011). The Bank's Charter also provides for the possibility of the payment of interim dividends for the first three, six and nine months of the reporting year to holders of issued preference shares.

The record date for persons entitled to a share of the Bank's net profit is determined at the General Meeting of Shareholders, but can be no earlier than 10 days before the date when the decision to pay dividends is due to be made, and no later than 20 days following such a decision. The time period for the payment of dividends depends on the type of registered shareholder. Dividend payments to nominal shareholders and trustees listed on the shareholder register must be made within 10 working days, while dividend payments to other registered shareholders must be made within 25 working days of the date when the list of persons entitled to dividends is compiled.

Shareholders appearing on the register receive dividends by bank transfer to their accounts (if bank details are provided) or by postal order. Shareholders whose rights are registered via nominal shareholders receive dividends in monetary form in accordance with the procedure stipulated in Russian laws on securities. The applicable law does not provide for dividend payments in cash.

Any dividends accrued but unclaimed by shareholders within a period of three calendar years are subject to allocation back to the profit of the Bank. Therefore, if a shareholder does not claim his or her accrued dividends within three years, he or she loses the right to receive them. If dividends are transferred to a shareholder's bank account, they are considered paid.

RECORD OF VTB BANK DIVIDEND PAYMENTS FOR THE LAST FIVE YEARS

	2014	2015	2016 ¹	2017	2018
Total amount of dividend payments (RUB million)	18,000	33,093	62,265	73,516	26,820
DIVIDEND PAYOUT RATIO					
% of VTB Bank's net profit under RAS	91	67	90	73	12
% of VTB Group's net profit under IFRS	2,250	1,947	121	61	15
DIVIDEND PAYMENTS, RUB MILLION					
Ordinary shares	15,164	15,164	15,164	44,759	14,240
Type 1 preference shares ²	2,836	90	11,130	11,804	5,164
Type 2 preference shares ²	–	17,839	35,971	16,953	7,416
DIVIDEND PER ORDINARY SHARE, RUB					
Ordinary shares	0.00117	0.00117	0.00117	≈0.00345	≈0.00110
Type 1 preference shares	–	≈0.000132	≈0.0000042	0.00052	≈0.00024
Type 2 preference shares	–	–	≈0.0058	≈0.01170	≈0.00241
DIVIDEND YIELD, %					
Ordinary shares	2.7	1.7	1.7	5.5	2.4
Type 1 preference shares	–	0.04	5.2	5.5	2.4
Type 2 preference shares	–	5.8	11.7	5.5	2.4

At the Annual General Meeting of Shareholders on 5 June 2019, a decision was made on the payment of dividends based on 2018 results, and the record date for persons entitled to receive a dividend was set at 24 June 2019.

¹ Taking into account interim dividends on Type 2 preference shares for 9M 2016 paid in December 2016.

² In accordance with the decision of the Extraordinary General Meeting of Shareholders of VTB Bank on 8 December 2016, Type 1 and Type 2 preference shares were placed by converting preference shares and Type A registered preference shares.

DIVIDEND PAYMENT IN 2019

Dividends were paid in full for all types of shares. There are no liabilities for the payment of dividends.

	Type of shares held	Deductions for the payment of dividends, RUB	Dividend amount per share, RUB	Amount of dividends paid, RUB	Dividends paid, % of the total amount of deductions for the payment of dividends on shares of a given type	Payment date / planned payment date
Federal Agency for State Property Management	Ordinary shares	14,239,456,640.85	0.00109867761463259	8,676,781,631.77	60.94	3 July 2019/ 26 July 2019
Registered nominal shareholders				5,546,669,639.56	38.95	2 July 2019/ 5 July 2019
Other registered shareholders				13,910,760.62	0.10	10 July 2019/ 26 July 2019
Ministry of Finance of the Russian Federation	Type 1 preference shares	5,164,109,976.47	0.00024127074137541	5,164,109,976.47	100	3 July 2019/ 26 July 2019
Deposit Insurance Agency	Type 2 preference shares	7,416,433,382.68	0.0024127074137541	7,416,433,382.68	100	3 July 2019/ 26 July 2019

Dividends in the amount of RUB 2,094,608.90, or 0.01 % of the total amount of deductions for the payment of dividends on ordinary shares, were not paid due to the failure on the part of the persons with the right to receive dividends to provide the Bank or the Bank's registrar with the necessary address details or bank information.

Funds were sent by bank transfer to the accounts provided to the registrar by registered shareholders and nominal shareholders. In cases where bank details were not provided to the registrar, dividends were sent by postal order.

Dividend taxation

When calculating dividends for the year, a tax agent calculates and withholds tax from the amount of dividends accrued. Since 1 January 2014, when income is distributed in the form of dividends on shares issued by a Russian organisation, not only may the issuer of these shares be considered a tax agent, but, in cases stipulated by law, so may trustees, depositaries and so on. Taking into account that the income tax is calculated and withheld by a tax agent, mutual funds, foreign institutional investors and individual investors can apply for a tax exemption or a reduced tax rate on dividends received by submitting documents that demonstrate that they have the right to preferential tax treatment to the Bank's registrar, VTB Registrar, or to the depositary where their shares are registered. In the case of share transfer to beneficial ownership, documents should be submitted to a trust manager.

The tax rate on dividends for both individuals and legal entities that are residents of the Russian Federation is 13 %, and it is 15 % for non-residents. This rate applies to the total dividend sum, which can be less than the total volume of payments based on the income received by VTB Bank as dividends from participating in other companies, as tax has already been paid on these amounts. If a double taxation agreement applies, tax payments are made in accordance with the rate specified in the agreement, taking into account Russian legislation.

A complete list of the required documents can be found [in the Investor Relations section of the Bank's website \(Dividends subsection\)](#).

REPORT ON COMPLIANCE WITH THE PRINCIPLES AND RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

Report on compliance with the principles and recommendations of the corporate governance code, which is an integral part of VTB Group's annual report, will be reviewed by VTB Supervisory Council in the third quarter of 2020.

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
1.1	The company shall ensure equal and fair treatment for all its shareholders in exercising their rights to participate in the management of the company.			
1.1.1	The company creates the most favourable possible conditions for its shareholders to participate in the General Meeting, for the development of sound positions related to agenda items at the General Meeting, for coordinating their activities, as well as an opportunity to express their views on the issues under consideration.	<ol style="list-style-type: none"> There is a publicly available internal company bylaw, approved by the General Meeting of Shareholders that governs the procedures for conducting General Meetings. The company has established an accessible means of communicating with the company, such as a hotline, email or online forums, allowing shareholders to express their opinions and send questions regarding the agenda during preparations for the General Meeting. The company undertook such actions before every General Meeting that took place during the reporting period. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.1.2	The procedure for giving notice of the General Meeting and the provision of materials for the General Meeting gives shareholders an opportunity to properly prepare for participation in the meeting.	<ol style="list-style-type: none"> Notice of an upcoming General Meeting of Shareholders is posted (published) on the website no later than 30 days before the date of the General Meeting. The notice about an upcoming meeting indicated the place of the meeting and the documents required for admission to the premises. Shareholders were provided with access to information about who proposed the agenda items and who nominated individuals to the Board of Directors and the Statutory Audit Commission. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

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1.1.3	In the course of the preparation for, and the holding of, a General Meeting, shareholders had the opportunity to receive information about the meeting and materials for the meeting without hindrance and in a timely manner to put questions to the executive bodies and the members of the Board of Directors and to communicate with one another.	<ol style="list-style-type: none"> Shareholders had the opportunity to put questions to members of the executive bodies and the members of the Board of Directors prior to and during the Annual General Meeting. The position of the Board of Directors (including dissenting opinions entered in the minutes) on each agenda item at General Meetings held during the reporting period was included in the materials for the General Meeting of Shareholders. The company provides shareholders (who have the right) with an access to the list of persons entitled to participate in the General Meeting starting from the date of its receipt by the company in all cases regarding General Meetings held during the reporting period. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.1.4	Implementation of the shareholder right to request that a General Meeting be convened, to nominate candidates to the management bodies and to make proposals for inclusion on the agenda of the general meeting did not involve needless difficulties.	<ol style="list-style-type: none"> During the reporting period, shareholders had the opportunity to submit proposals for inclusion on the agenda of the Annual General Meeting during a period of no less than 60 days after the end of the corresponding calendar year. During the reporting period, the company did not refuse to accept proposals for the agenda or nominations to the company's various bodies as a result of typos or other insignificant errors in the shareholder's proposal. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.1.5	Every shareholder had an opportunity to freely exercise their right to vote in the simplest and the most convenient way for them.	The company's bylaws (internal policy) contain provisions pursuant to which each participant of a General Meeting may request a copy of their completed ballot certified by the counting commission prior to the completion of the meeting in question.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

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1.1.6	The procedure established by the company for conducting General Meetings provides an equal opportunity to all individuals present at a meeting to express their opinions and ask questions.	<ol style="list-style-type: none"> When conducting General Meetings of Shareholders during the reporting period in the form of a meeting (with the joint presence of shareholders), sufficient time was provided for reports on agenda items, as well as time to discuss those items. Candidates for the company's management and oversight bodies were available to answer questions from shareholders at the meeting at which their nominations were put to a vote. When making decisions related to the preparation and holding of General Meetings of Shareholders, the Board of Directors considered the use of telecommunications facilities to provide remote access to shareholders to participate in General Meetings during the reporting period. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.2 Shareholders are given equal and fair opportunities to participate in the profits of the company by receiving dividends.				
1.2.1	The company has developed and implemented a transparent and clear mechanism for determining the amount and payment of dividends.	<ol style="list-style-type: none"> The company has developed a dividend policy that has been approved by the Board of Directors and that has been disclosed. If the company's Dividend Policy uses the company's reporting indicators to determine the amount of the dividend, then the relevant provisions of the Dividend Policy are taken into account by the Group's consolidated financial statements. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.2.2	The company does not take a decision on the payment of dividends if such a decision, while not formally in violation of legal restrictions, is unjustified from an economic point of view and could lead to the formation of misconceptions about the company's activities.	The company's Dividend Policy provides clear guidance on the financial/economic circumstances under which the company should not pay dividends.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
1.2.3	The company does not permit any diminution of the dividend rights of existing shareholders.	During the reporting period, the company did not take any actions that led to the diminution of the dividend rights of existing shareholders.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.2.4	The company is committed to preventing shareholders from using other means of earning a profit (income) at the company's expense beyond dividends and liquidation value.	In order to prevent shareholders from using other means of earning a profit (income) at the company's expense beyond dividends and liquidation value, the company's bylaws have established monitoring mechanisms that ensure the timely discovery of, and a procedure for, the approval of transactions with persons affiliated (associated) with major shareholders (those with the right to make use of the votes stemming from voting shares) in cases where the law does not formally recognise such transactions as related-party transactions.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.3 The corporate governance system and practices shall ensure equal terms and conditions for all shareholders owning shares of the same class (category), including minority and foreign shareholders, as well as their equal treatment by the company.				
1.3.1	The company has created the conditions for the fair treatment of each shareholder by the company's management and oversight bodies, including conditions ensuring the inadmissibility of abuse by major shareholders in relation to minority shareholders.	During the reporting period, the procedures for managing potential conflicts of interest involving major shareholders were effective, and conflicts between shareholders, if any, were given due attention by the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

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1.3.2	The company does not undertake actions that lead or may lead to the artificial redistribution of corporate control.	There were no quasi-treasury shares, or they did not vote during the reporting period.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
1.4	Shareholders must be provided with reliable and effective ways to register their rights to their shares, as well as the possibility to dispose of their shares freely and easily.			
1.4.1	Shareholders must be provided with reliable and effective ways to register their rights to their shares, as well as the possibility to dispose of their shares freely and easily.	The quality and reliability of the activities performed by the company's registrar to maintain the register of securities holders meet the needs of the company and its shareholders.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.1	The Board of Directors carries out strategic management within the company, defines the basic principles and approaches to organising a risk management and internal control system within the company, supervises the activity of executive bodies and also performs other key functions.			
2.1.1	The Board of Directors is responsible for decisions relating to the appointment and dismissal of members of executive bodies, including in connection with the improper performance of their duties. The Board of Directors also carries out oversight measures to ensure that the company's executive bodies act in accordance with the approved Development Strategy and the company's main areas of activity.	<ol style="list-style-type: none"> The Board of Directors has the authority, per the Charter, to appoint and dismiss members of executive bodies, as well as to determine the terms of their contracts. The Board of Directors reviewed the report(s) of the sole executive body and of members of the collective executive body on the implementation of the company's strategy. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.1.2	The Board of Directors establishes the basic guidelines for the company's activities in the long term, evaluates and approves the company's key performance indicators and key business goals, and evaluates and approves the strategy and business plans for the company's core activities.	During the reporting period, meetings of the Board of Directors addressed issues related to progress on implementation and updating of the company's strategy, approval of the company's financial and economic plan (budget), as well as the consideration of criteria and indicators (including interim) related to implementation of the company's strategy and business plans.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.1.3	The Board of Directors determines the principles of, and approaches to, organising a risk management and internal control system in the company.	<ol style="list-style-type: none"> The Board of Directors has determined the principles of, and approaches to, organising a risk management and internal control system in the company. The Board of Directors assessed the company's risk management and internal control system during the reporting period. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.1.4	The Board of Directors determines the company policy on remuneration and/or reimbursement (compensation) for expenses for members of the company's Board of Directors, executive bodies and other key executives.	<ol style="list-style-type: none"> The company has developed and implemented a policy (policies), approved by the Board of Directors, on the remuneration and reimbursement (compensation) of expenses for members of the company's Board of Directors, executive bodies and other key executives. Issues related to this policy (policies) were considered during the reporting period at meetings of the Board of Directors. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.1.5	The Board of Directors plays a key role in the prevention, detection and resolution of internal conflicts between the company's executive bodies, shareholders and employees.	<ol style="list-style-type: none"> The Board of Directors plays a key role in the prevention, detection and resolution of internal conflicts. The company has established a system for identifying transactions involving a conflict of interest, and a system of measures aimed at resolving such conflicts. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

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2.1.6	The Board of Directors plays a key role in ensuring the transparency of the company, the timeliness and completeness of the company's disclosure of information, and shareholders' unhindered access to company documents.	<ol style="list-style-type: none"> The Board of Directors approved the Regulation on Information Policy. The company has appointed responsible officials for implementation of its Information Policy. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.1.7	The Board of Directors oversees the corporate governance practices within the company and plays a key role in material corporate events.	During the reporting period, the Board of Directors considered the issue of the company's corporate governance practices.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.2	The Board of Directors is accountable to the company's shareholders.			
2.2.1	Information about the work of the Board of Directors is disclosed and presented to the shareholders.	<ol style="list-style-type: none"> The company's Annual Report for the reporting period includes information on individual directors' attendance at board and committee meetings. The Annual Report contains information about the main results of the assessment of the work of the Board of Directors carried out during the reporting period. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.2.2	The Chairman of the Board of Directors must be available to the company's shareholders.	The company has a transparent procedure for providing shareholders with an opportunity to direct their questions and their position on those questions to the Chairman of the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

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2.3	The Board of Directors must be an efficient and professional governing body that is capable of making objective and independent judgements and passing resolutions in the best interests of the company and its shareholders.			
2.3.1	Only individuals who have an excellent business and personal reputation, and who also have the knowledge, skills and experience required to make decisions related to the remit of the Board of Directors and required for the effective performance of its functions may be elected as members of the Board of Directors.	<ol style="list-style-type: none"> The company has adopted a procedure for assessing the effectiveness of the Board of Directors that includes an assessment of the professional qualifications of the members of the Board of Directors. During the reporting period, the Board of Directors (or its Nominating Committee) evaluated candidates for the Board of Directors in terms of whether they had the necessary experience, knowledge and business reputation, as well as whether or not they had any conflicts of interest. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.3.2	The members of the Board of Directors are elected through a transparent procedure that allows shareholders to receive information about the candidates that is sufficient to form a picture of their personal and professional qualities.	Whenever a General Meeting of Shareholders was held during the reporting period whose agenda included the issue of the election of the Board of Directors, the company provided the shareholders with the CVs of all candidates for members of the Board of Directors and the results of the evaluation of the candidates conducted by the Board of Directors (or the Nominating Committee). It also provided information on each candidate's compliance with the independence criteria in accordance with recommendations 102–107 of the Code, as well as the written consent of the candidates for election to the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.3.3	The composition of the Board of Directors shall be balanced, including in terms of the qualifications of its members, their experience, knowledge and business qualities, and it shall enjoy the confidence of the shareholders.	As part of the procedures for assessing the work of the Board of Directors carried out during the reporting period, the Board of Directors analysed its own requirements in the area of professional qualifications, experience and business skills.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

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2.3.4	The quantitative composition of the Board of Directors makes it possible to organise the activities of the Board of Directors in the most efficient manner possible, including the possibility of the formation of the Board committees. It shall also provide the company's significant minority shareholders with an opportunity to elect to the Board of Directors a candidate of their choice.	As part of the procedures for assessing the work of the Board of Directors carried out during the reporting period, the Board of Directors considered the issue of the compliance of the quantitative composition of the Board of Directors with the company's requirements and the interests of shareholders.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.4	The Board of Directors includes a sufficient number of independent directors.			
2.4.1	An independent director is a person who has sufficient professionalism, experience and independence to form their own positions, is able to formulate objective and honest opinions, is independent from the influence of the company's executive bodies, individual groups of shareholders and other interested parties. It should be kept in mind that, under normal conditions, a candidate (elected member of the Board of Directors) who is associated with the company, its major shareholders, a significant counterparty or competitor or the state may not be considered independent.	During the reporting period, all independent members of the Board of Directors met all the criteria for independence set out in recommendations 102–107 of the Code or were recognised as independent by a decision of the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.4.2	An assessment of the compliance of candidates for the Board of Directors with the criteria for independence shall be carried out, along with a regular review of the compliance of independent members of the Board of Directors with the independence criteria. In conducting such an assessment, content should prevail over form.	<ol style="list-style-type: none"> During the reporting period, the Board of Directors (or its Nominating Committee) formed an opinion about each candidate's independence and presented shareholders with their conclusions. During the reporting period, the Board of Directors (or its Nominating Committee) reviewed, on at least one occasion, the independence of the current members of the Board of Directors who are indicated as independent directors in the company's Annual Report. The company has developed procedures for determining the necessary actions a Board member must take in the event that he or she ceases to be independent, including the obligation to inform the Board of Directors about this in a timely manner. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.4.3	Independent directors account for at least one third of all directors elected to the Board.	Independent directors account for at least one third of all directors elected to the Board.	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>Of the 11 members of the Bank's Supervisory Council, three are independent, which is less than one third of the composition of the Supervisory Council recommended in this paragraph.</p> <p>At the same time, the Bank elected a new Supervisory Council at the Bank's AGM in 2019, which includes five directors with no relation to the principal shareholder, including four representatives of minority shareholders.</p> <p>According to the Bank, the current composition of the Bank's Supervisory Council is balanced, representing the interests of a wide range of shareholders, and it is as independent as possible in its activities.</p>

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2.4.4	Independent directors play a key role in the prevention of internal conflicts within the company and in the company's performance of material corporate actions.	Independent directors (who have no conflict of interest) provide a preliminary assessment of material corporate actions related to possible conflicts of interest, and the results of that assessment are presented to the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.5	The Chairman of the Board of Directors shall facilitate the most effective performance of the functions assigned to the Board.			
2.5.1	The Chairman of the Board of Directors is an independent director, or the elected independent directors select a senior independent director who coordinates the work of the independent directors and is responsible for communication with the Chairman of the Board of Directors.	<ol style="list-style-type: none"> The Chairman of the Board of Directors is an independent director, or a senior independent director is selected from among the independent directors³. The role, rights and responsibilities of the Chairman of the Board of Directors (and, if applicable, of the senior independent director) are stipulated, as required, in the company's bylaws. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.5.2	The Chairman of the Board of Directors ensures a constructive atmosphere for holding meetings, a free discussion of the issues included on the meeting agenda and oversight over the execution of decisions taken by the Board of Directors.	The effectiveness of the work of the Chairman of the Board of Directors is evaluated in the framework of the performance evaluation procedures for the Board of Directors during the reporting period.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.5.3	The Chairman of the Board of Directors shall take the necessary measures for the timely provision of information to members of the Board of Directors in order to take decisions about items on the agenda.	The duty of the Chairman of the Board of Directors to take steps to ensure the timely delivery of materials to members of the Board of Directors concerning items on the agenda of a meeting of the board is stipulated in company bylaws.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.6	Board members act in good faith and reasonably in the interests of the company and its shareholders on the basis of sufficient information, with due care and diligence.			
2.6.1	Board members take decisions based on all available information, without any conflicts of interest, taking into account the equal treatment of the company's shareholders, within the framework of normal business risk.	<ol style="list-style-type: none"> According to the company's bylaws, a member of the Board of Directors must notify the Board of Directors if he or she has a conflict of interest in respect of any item on the agenda of a meeting of the board or of a board committee prior to the discussion of the relevant agenda item. The company's bylaws provide that a Board member must abstain from voting on any matter in which he or she has a conflict of interest. The company has established a procedure that allows the Board of Directors to receive professional advice on matters within its remit at the company's expense. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.6.2	The rights and obligations of members of the Board of Directors are clearly enshrined in the company's bylaws.	The company has adopted and published a bylaw that clearly stipulates the rights and responsibilities of members of the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.6.3	Board members have sufficient time to perform their duties.	<ol style="list-style-type: none"> Individual attendance at Board and committee meetings, as well as the time devoted to preparation for participation in such meetings, was taken into account as part of the Board of Directors assessment procedures during the reporting period. In accordance with the company's bylaws, members of the Board of Directors are required to notify the Board of their intention to be a part of the management bodies of other organisations (beyond those that are the company's subsidiaries or dependent organisations), as well as the fact of such appointments. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.6.4	All members of the Board of Directors shall have equal access to the company's documents and information. Newly elected members of the Board of Directors shall be provided, in the shortest possible time, with sufficient information about the company.	<ol style="list-style-type: none"> In accordance with the company's bylaws, the members of the Board of Directors have the right to access documents and to make inquiries concerning the company and its subsidiary organisations, and the company's executive bodies are required to provide relevant information and documents. The company has established a formalised programme of introductory events for newly elected members of the Board of Directors. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.7	Meetings of the Board of Directors, preparations for them and the participation of Board members therein shall ensure that the Board works in an effective manner.			
2.7.1	Meetings of the Board of Directors shall be held as necessary, taking into account the scale of operations and the tasks facing the company at a given period of time.	The Board of Directors held at least six meetings during the reporting year.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.7.2	The company's bylaws shall enshrine procedures for the preparation and holding of Board meetings that allow members of the BOARD of Directors to prepare adequately for such meetings.	The company has approved a bylaw that stipulates the procedure for the preparation and holding of Board meetings, in which it is also established that notice about a meeting must be provided, as a rule, not less than five days prior to the meeting.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.7.3	The format of each meeting of the Board of Directors is determined based on the importance of the items on its agenda. The most important issues are resolved at meetings of the Board of Directors held in person.	The company's Charter or bylaws provide that the most important issues (according to the list provided in recommendation 168 of the Code) must be considered at in-person Board meetings.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.7.4	Decisions on the most important issues concerning the company's activities shall be taken at a meeting of the Board of Directors by a qualified majority or a majority of all the elected members of the Board of Directors.	The company's Charter provides that decisions on the most important issues outlined in recommendation 170 of the Code must be taken at a meeting of the Board of Directors by a qualified majority of not less than three fourths of the votes or by a majority of all the elected members of the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.8	The Board of Directors shall form committees for preliminary consideration of the most important issues related to the company's activities.			
2.8.1	For the preliminary consideration of issues related to the control of the company's financial and economic activities, an Audit Committee shall be established that is composed of independent directors.	<ol style="list-style-type: none"> The Board of Directors has formed an Audit Committee composed entirely of independent directors. The company's bylaws stipulate the Audit Committee's tasks, including those tasks outlined in recommendation 172 of the Code. At least one member of the Audit Committee, who is an independent director, has experience and expertise in the preparation, analysis, evaluation and auditing of financial statements. Meetings of the Audit Committee took place at least once a quarter during the reporting period. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.8.2	For preliminary consideration of issues related to the formation of effective and transparent remuneration practices, a Remuneration Committee was established that consists of independent directors and is chaired by an independent director who is not the Chairman of the Board of Directors.	<ol style="list-style-type: none"> The Board of Directors established a Remuneration Committee that consists solely of independent directors. The Chairman of the Remuneration Committee is an independent director who is not the Chairman of the Board of Directors. The company's bylaws stipulate the Remuneration Committee's tasks, including those tasks outlined in recommendation 180 of the Code. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>1-2. Two of the three directors on the Supervisory Council's Staff and Remuneration Committee are independent, and the other is a non-executive director.</p> <p>The current members of the Committee are selected based on the individual experience and competence of each member. In addition, the Bank complies with the requirements on corporate governance of the <i>Moscow Exchange</i> Listing Rules, including the requirements for the composition of the Supervisory Council committees.</p> <p>At the same time, the Bank considered the practice of forming a committee from independent directors only to be inexpedient for itself primarily because of the risk that the Committee would include members of the Supervisory Council without the necessary competence in this field.</p> <p>Bearing in mind that the decisions at Committee meetings are adopted by a simple majority, and the majority of the members of the Committee are independent, the Bank has minimised the risk of biased decisions.</p> <p>At the same time, however, the Bank, in collaboration with its principal shareholder (the Federal Agency for State Property Management), plans to explore, prior to the Bank's next AGM, in 2020, the issue of including as candidates for positions on the Supervisory Council more independent directors with the requisite experience to serve on the Committee.</p>

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.8.3	For preliminary consideration of issues related to the implementation of staff planning (succession planning) and the professional composition and performance of the Board of Directors, a Nominating Committee (appointments, human resources) was established, most of whose members are independent directors.	<ol style="list-style-type: none"> The Board of Directors established a Nominating Committee (or the tasks thereof specified in recommendation 186 of the Code are performed by another committee <4>) consisting mostly of independent directors. The company's bylaws stipulate the tasks of the Nominating Committee (or the relevant committee with combined functions), including the tasks outlined in recommendation 186 of the Code. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>1. The functions of the Nominating Committee are entrusted to the Supervisory Council Staff and Remuneration Committee.</p>
2.8.4	Given the scope and risk level, the Board of Directors determined that the composition of its committees fully meets the company's goals. Additional committees were either formed or are not deemed necessary (strategy committee, corporate governance committee, ethics committee, risk management committee, budget committee, committee on health, safety and the environment, etc.).	During the reporting period, the company's Board of Directors considered the composition of its committees in terms of the Board's duties and the company's objectives. Additional committees were either formed or were deemed unnecessary.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>The Strategy and Corporate Governance Committee has been formed and actively functioning in the Bank.</p> <p>The Committee considers, and makes recommendations on, strategic development issues and on improving corporate governance, as well as on refining management of the Bank's capital.⁵</p>
2.8.5	The composition of the committees is determined in such a way that it allows for a comprehensive discussion of issues beforehand, taking into account different views.	<ol style="list-style-type: none"> Committees of the Board of Directors are chaired by independent directors. The company's bylaws (policies) include provisions under which individuals who are not members of the Audit Committee, the Nominating Committee or the Remuneration Committee may attend committee meetings only at the invitation of the chairman of the relevant committee. 	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>1. See paras. 2.8.1 and 2.8.2</p>

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
2.8.6	The committee chairmen shall regularly inform the Board of Directors and its Chairman about the work of their committees.	During the reporting period, the chairmen of the committees reported regularly to the Board of Directors on the work of the committees.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.9 The Board of Directors shall ensure that the quality of its work and that of its committees and its members is assessed.				
2.9.1	Assessment of the quality of the work of the Board of Directors is aimed at determining the degree of the effectiveness of the work of the Board of Directors, its committees and Board members, the compliance of their work with the company's development needs, intensification of the work of the Board of Directors and identifying areas in which their work can be improved.	<ol style="list-style-type: none"> The self-assessment and external evaluation of the Board of Directors carried out during the reporting period included an evaluation of the work of the committees, individual Board members and the Board of Directors as a whole. The results of the self-assessment or external assessment of the Board of Directors carried out during the reporting period were discussed at an in-person meeting of the Board of Directors. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
2.9.2	The work of the Board of Directors, its committees and Board members is assessed on a regular basis, at least once a year. To conduct an independent assessment of the quality of the Board of Directors' work, a third-party entity (consultant) is engaged at least once every three years.	To conduct an independent assessment of the quality of the Board of Directors' work during the last three reporting periods, the Company engaged a third-party entity (consultant) at least once.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
3.1	The company's Corporate Secretary is responsible for efficient ongoing interaction with its shareholders, coordination of the company's actions designed to protect the rights and interests of its shareholders and support for the efficient work of its Board of Directors.			
3.1.1	The Corporate Secretary has sufficient knowledge, experience and expertise for the execution of his or her duties. This official enjoys an impeccable reputation and the confidence of shareholders.	<ol style="list-style-type: none"> The company has adopted and disclosed a bylaw called the Regulation on the Corporate Secretary. The company's website and Annual Report provide biographical information about the Corporate Secretary. The same level of detail is provided about the members of the company's Board of Directors and executive management. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
3.1.2	The Corporate Secretary is sufficiently independent of the company's executive bodies, and has been given the necessary authority and resources to carry out his assigned tasks.	The Board of Directors approves the appointment and dismissal of the Corporate Secretary, as well as decisions to award additional remuneration to the Corporate Secretary.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
4.1	The level of remuneration paid by the company is sufficient to enable it to recruit, motivate and retain employees who have the required skills and qualifications. Remuneration is paid to Board members, executive bodies and other key managers at the company in accordance with the remuneration policy adopted by the company.			
4.1.1	The level of remuneration provided by the company to members of the Board of Directors, executive bodies and other key executives creates sufficient motivation for them to work effectively, allowing the company to recruit and retain competent and skilled professionals. This allows the company to avoid having to pay a level of remuneration that is more than necessary, and it prevents the formation of unjustifiably large gaps in the level of remuneration between these officials and company employees.	The company has adopted a bylaw or bylaws (policy/policies) regulating the remuneration for members of the Board of Directors, executive bodies and other key executives, which clearly stipulate approaches to the remuneration of these individuals.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
4.1.2	The company's remuneration policy is determined by the Remuneration Committee and approved by the Board of Directors. The Board of Directors, with the support of the Remuneration Committee, monitors the introduction and implementation of the company's Remuneration Policy, and, if necessary, it reviews and makes adjustments to it.	During the reporting period, the Remuneration Committee reviewed the Remuneration Policy (Policies) and the policy regulating its (their) implementation; if necessary, it presented appropriate recommendations to the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
4.1.3	The company's Remuneration Policy provides transparent mechanisms for determining the amount of remuneration for members of the Board of Directors, executive bodies and other key executives at the company. It also regulates all types of payments, benefits and privileges provided to such individuals.	The company's Remuneration Policy (Policies) contains (contain) transparent mechanisms for determining the remuneration of members of the Board of Directors, executive bodies and other key executives at the company. It (they) also regulates (regulate) all kinds of payments, benefits and privileges provided to such individuals.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
4.1.4	The company determines a policy on the reimbursement (compensation) of expenses that enumerates a list of reimbursable expenses and the level of service that members of the Board of Directors, executive bodies and other key executives at the company may qualify for. This policy may form a part of the company's Remuneration Policy.	The policy (policies) on remuneration or the company's other bylaws establish reimbursement rules for Board members, executive bodies and other key executives at the company.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
4.2	The system of remuneration for members of the Board of Directors shall ensure that the financial interests of the directors are in line with the long-term financial interests of shareholders.			
4.2.1	The company pays fixed annual remuneration to the members of the Board of Directors. The company does not pay remuneration for participation in meetings of the Board or Board committees. The company does not use short-term incentives or additional material incentives for members of the Board of Directors.	Fixed annual remuneration was the only form of monetary remuneration that Board members received for their work on the Board during the reporting period.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
4.2.2	Long-term holding of company shares has been the most conducive to ensuring the convergence of the financial interests of the members of the Board of Directors with the long-term interests of shareholders. The company does not make the right to dispose of shares dependent on the achievement of certain performance results, and Board members do not participate in option programmes.	If the bylaw (bylaws) detailing the policy (policies) on remuneration include a provision allowing company shares to be granted to members of the Board of Directors, then clear rules regulating how Board members can hold these shares must be stipulated in a way that promotes the long-term holding of such shares.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	Members of the Board of Directors do not participate in the Bank's option programmes.
4.2.3	The company does not provide any additional payments or compensation in the event of the early termination of members of the Board of Directors in connection with the transfer of control over the company or other circumstances.	The company does not provide any additional payments or compensation in the event of the early termination of members of the Board of Directors in connection with the transfer of control over the company or other circumstances.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
4.3	The system of remuneration due to members of the executive bodies and other key company executives provides that their remuneration is dependent on the company's performance results and their personal contributions to achieving these.			
4.3.1	Remuneration for members of executive bodies and other key executives at the company shall be determined in such a way as to provide a reasonable and justified ratio between their base salary and variable remuneration depending on the company's results and the personal (individual) contribution of each employee to the final result.	<ol style="list-style-type: none"> During the reporting period, the annual performance indicators approved by the Board of Directors were used to determine the amount of variable compensation for members of executive bodies and other key executives at the company. In the course of the last evaluation of the system of remuneration for members of executive bodies and other key executives at the company, the Board of Directors (the Remuneration Committee) confirmed that the Company employed an effective ratio of base salary to variable compensation. The company has established a procedure that provides for the return of bonuses that were unlawfully obtained by members of the executive bodies and other key executives at the company. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
4.3.2	The company has established a long-term incentive programme for members of the executive bodies and other key company executives using the company's shares (options or other derivative instruments whose underlying asset is company shares).	<ol style="list-style-type: none"> The company has established a long-term incentive programme for members of the executive bodies and other key company executives using the company's shares (financial instruments based on company shares). The long-term incentive programme for members of executive bodies and other key company executives provides that the right to sell shares and other financial instruments that are granted within the programme shall not be granted less than three years from the date that such shares or instruments are awarded. The right to sell shares shall be conditional upon the company's achievement of certain performance indicators. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
4.3.3	The amount of compensation (golden parachute) that is paid by the company in the event of the early termination of members of the executive bodies or key executives at the initiative of the company and in the absence of any actions taken by the employees themselves that were not in good faith shall not exceed two times the base salary that is paid as part of the annual compensation package.	The amount of compensation (golden parachute) that is paid by the company in the event of the early termination of members of the executive bodies or key executives at the initiative of the company and in the absence of any actions taken by the employees themselves that were not in good faith did not, during the reporting period, exceed two times the base salary that is paid as part of the annual compensation package.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
5.1	The company has established an efficient risk management and internal control system that is designed to provide reasonable assurance that the company's goals will be achieved.			
5.1.1	The Board of Directors determines the principles and approaches used to shape the company's risk management and internal control system.	The functions that the company's various control bodies and divisions play in the risk management and internal control system are clearly stipulated in the company's bylaws/relevant policies that were approved by the Board of Directors.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
5.1.2	The company's executive bodies shall ensure the establishment and maintenance of an effective system of risk management and internal control at the company.	The company's executive bodies have ensured the distribution of functions and responsibilities for risk management and internal control between their subordinate unit and department heads.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
5.1.3	The company's risk management and internal control system provides for an objective, fair and clear picture of the company's current state and prospects, the integrity and transparency of the company's reporting, and the reasonableness and acceptability of the risks taken by the company.	<ol style="list-style-type: none"> The company has approved a policy on preventing corruption. The company provides an accessible means of notifying the Board of Directors or the Board's Audit Committee about violations of the law, internal procedures and the company's code of ethics. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
5.1.4	The Board of Directors takes necessary measures to ensure that the company's current risk management and internal control system complies with the principles and approaches determined by the Board of Directors to ensure that such a system is organised and functions effectively.	During the reporting period, the Board of Directors or its Audit Committee evaluated the effectiveness of the company's risk management and internal control system. Information about the main findings of this evaluation is included in the company's Annual Report.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
5.2	The company organises an internal audit to ensure the regular independent evaluation of the reliability and effectiveness of the risk management and internal control system and corporate governance practice.			
5.2.1	The company has created a separate structural unit or contracted an independent external organisation to conduct the internal audit. The functional and administrative reporting relationship of the internal audit unit has been established. Functionally, the internal audit unit is subordinate to the Board of Directors.	The company has created a separate structural unit to conduct internal audits that is functionally subordinate to the Board of Directors or the Audit Committee or it has engaged an independent external organisation with the same subordinate status to conduct internal audits.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
5.2.2	The internal audit unit evaluates the effectiveness of the internal control system and assesses the effectiveness of the risk management and corporate governance systems. The company employs generally accepted standards in the field of internal auditing.	<ol style="list-style-type: none"> During the reporting period, an assessment was provided of the effectiveness of the internal control and risk management system as part of the internal audit process. The company uses generally accepted approaches to internal control and risk management. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
6.1	The company and its activities are transparent to shareholders, investors and other interested parties.			
6.1.1	The company has developed and implemented an information policy that ensures effective communication between the company, shareholders, investors and other interested parties.	<ol style="list-style-type: none"> The Board of Directors approved the company's Information Policy, which takes into account the recommendations of the Code. The Board of Directors (or one of its committees) considered issues related to the company's compliance with its Information Policy at least once during the reporting period. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
6.1.2	The company discloses information on its corporate governance system and practices, including detailed information on compliance with the principles and recommendations of the Code.	<ol style="list-style-type: none"> The company discloses information on its system of corporate governance and the general principles of corporate governance that are applied in the company, including on the company's website. The company discloses information on the composition of its executive bodies and its Board of Directors, the independence of Board members and their membership of Board committees (in accordance with the definitions provided in the Code). In the event that a person should assume control of the company, the company publishes a memorandum by the controlling person concerning said person's plans in relation to the company's corporate governance. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
6.2	The company discloses complete, up-to-date and reliable information about the company to allow its shareholders and investors to make informed decisions.			
6.2.1	The company discloses information in accordance with the principles of regular publication, consistency, timeliness, as well as accessibility, accuracy, completeness and comparability of the data disclosed.	<ol style="list-style-type: none"> The company's Information Policy stipulates the approaches and criteria for determining information that could materially affect the company's valuation, the value of its securities and the procedures that ensure the timely disclosure of such information. If the company's securities are traded in foreign markets, then equivalent material information is disclosed in the Russian Federation and in those foreign markets at the same time during the reporting year. If foreign shareholders hold a substantial number of shares in the company, then information was disclosed during the reporting year not only in Russian, but also in a commonly known foreign language. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
6.2.2	The company avoids taking a formal approach to the disclosure of information, and it discloses important information about its activities even when such disclosure is not required by law.	<ol style="list-style-type: none"> During the reporting period, the company disclosed its annual and semi-annual financial statements prepared in accordance with IFRS. The company's Annual Report for the reporting period included annual financial statements that were prepared in accordance with IFRS, along with the auditor's report. The company discloses both in its Annual Report and on its website complete information on its capital structure in accordance with recommendation 290 of the Code. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
6.2.3	The Annual Report, which is one of the most important tools for sharing information with shareholders and other interested parties, contains information that makes it possible to assess the company's activities for the year.	<ol style="list-style-type: none"> The company's Annual Report provides information on the key aspects of its activities and its financial results. The company's Annual Report contains information about the environmental and social aspects of the company's activities. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
6.3	The company provides information and documents requested by its shareholders in accordance with the principle of equal and unhindered access.			
6.3.1	The company provides information and documents requested by its shareholders in accordance with the principle of equal and unhindered access.	The company's Information Policy stipulates a non-burdensome procedure for providing shareholders with access to information, including information about the company's subsidiaries, at the request of shareholders.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	
6.3.2	When the company provides information to shareholders, it ensures a reasonable balance between the interests of specific shareholders and the interests of the company itself in ensuring the confidentiality of important trade secrets that could have a material impact on its competitiveness.	<ol style="list-style-type: none"> During the reporting period, the company did not refuse to satisfy shareholder requests for information, or if it did deny any requests, then such refusals were justified. In cases stipulated by the company's Information Policy, shareholders are warned about the confidential nature of information and take responsibility for maintaining its confidentiality. 	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
7.1	Any actions that will or may materially affect the company's share capital structure and its financial position and, accordingly, the position of its shareholders ("material corporate actions") shall be taken on fair terms and conditions ensuring that the rights and interests of the shareholders as well as other interested parties are observed.			
7.1.1	Material corporate actions include the reorganisation of the company, the acquisition of 30 per cent or more of voting shares (takeover), material transactions by the company, an increase or decrease in the company's share capital, the listing and delisting of company shares, as well as other actions that could lead to a significant change in the rights of shareholders or a violation of their interests. The company's Charter includes a list of (criteria for) transactions or other actions falling within the category of material corporate actions. These actions fall within the remit of the company's Board of Directors.	<ol style="list-style-type: none"> The company's Charter contains a list of transactions or other actions that constitute material corporate actions and the criteria that are used to determine such actions. Decisions regarding material corporate actions fall within the remit of the Board of Directors. In cases where the authority to take such corporate actions falls within the remit of the General Meeting of Shareholders, the Board of Directors provides shareholders with appropriate recommendations. The company's Charter recognises the following, at a minimum, to be material corporate actions: the reorganisation of the company, the acquisition of 30 per cent or more of voting shares (takeover), the completion of material transactions by the company, an increase or decrease in the company's share capital and the listing and delisting of company shares. 	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>1-2 The Bank's Charter does not specify a list of transactions and material corporate actions. At the same time, the Bank's Charter assigns decision-making power regarding such material corporate actions to the remit of the Bank's Supervisory Council and General Meeting of Shareholders in accordance with the recommendation.</p> <p>In addition, the Regulation on the Bank's Supervisory Council Audit Committee provides for a special procedure for the Committee to deal with matters related to material and non-standard transactions concluded by the Bank (para. 2.2.1 of the Regulation), including review of their compliance with applicable standards.</p> <p>Considering the above, in order to avoid duplication in the Bank's Charter of provisions on the procedure for taking decisions on matters falling within the remit of the Supervisory Council and the General Meeting of Shareholders, and also taking into account the lack of relevant practice in comparable companies, the Bank considered it inexpedient to further enshrine in its Charter provisions on material corporate actions and on the procedure for making decisions on such actions.</p>
7.1.2	The Board of Directors plays a key role in making decisions or developing recommendations about material corporate actions. The Board of Directors relies on the position of the company's independent directors.	The company has stipulated a procedure under which the independent directors declare their positions on material corporate actions prior to their approval.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
7.1.3	When completing material corporate actions that affect the rights and legal interests of shareholders, equal conditions are provided for all company shareholders. If the mechanisms protecting the legal rights of shareholders are insufficient, then further measures to protect the rights and legal interests of the company's shareholders are provided. The company is governed not only by compliance with the formal requirements of the law, but also by the principles of corporate governance set out in the Code.	<ol style="list-style-type: none"> Taking into account the nature of the company's business, the company's Charter establishes less restrictive criteria than the minimum provided for under the law for classifying the company's transactions as material corporate actions. During the reporting period, all material corporate actions underwent an approval process before implementation. 	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>1. The issue of introducing amendments to the Bank's Charter to enshrine provisions on material corporate actions (transactions) with less restrictive criteria for classifying Bank transactions as material than required by law is currently being explored.</p> <p>At the same time, in order to minimise possible risks, the Regulation on the Bank's Supervisory Council Audit Committee stipulates a special procedure for dealing with issues related to concluding non-standard and material transactions (para. 2.2.1 of the Regulation).</p>
7.2	The company has established a procedure regulating material corporate actions that allows shareholders to receive timely and complete information on such actions, provides them with an opportunity to influence decision-making about such actions and ensures compliance with, and an adequate level of protection of, their rights in the performance of such actions.			
7.2.1	Information about material corporate actions is disclosed together with the reasons, conditions and consequences of such actions.	During the reporting period, the company disclosed information on its material corporate actions in a timely manner and in detail, including the reasons for, and timing of, such actions.	<input checked="" type="checkbox"/> Compliance <input type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	

No.	Principles of corporate governance	Criteria for assessing compliance with the relevant principle of corporate governance	Status ¹ of compliance with the principle of corporate governance	Comments/explanation ² of deviation from compliance with the principle of corporate governance
7.2.2	The rules and procedures governing material corporate actions taken by the company are stipulated in the company's bylaws.	<ol style="list-style-type: none"> The company's bylaws have established a procedure for retaining an independent appraiser to determine the value of property that is alienated or acquired by a material transaction or a related-party transaction. The company's bylaws have established a procedure for retaining an independent appraiser to assess the value of shares that are acquired or bought back by the company. The company's bylaws have established an expanded list of grounds on which the members of the Board of Directors and other persons referred to in respective laws are deemed to have an interest in the company's transactions. 	<input type="checkbox"/> Compliance <input checked="" type="checkbox"/> Partial compliance <input type="checkbox"/> Non-compliance	<p>3. The Bank believes that implementation of the corresponding practice can make it extremely difficult to carry out its activities and place it in an unequal position in relation to other players of the financial market, including due to the duration of prior approval of deals. Considering the above, the Bank does not plan to implement this recommendation.</p> <p>The Bank believes that the applicable legislation on joint stock companies in the part of the list of grounds according to which a person may be recognised as an interested party to a transaction sufficiently regulates the risks of non-compliance with this recommendation.</p> <p>Considering the above, the Bank does not plan to implement this recommendation</p>

¹ "Compliance" is indicated only if the company meets all the criteria for assessing compliance with the respective principle of corporate governance. Otherwise, the status of "partial compliance" or "Non-compliance" is indicated.

² A status is assigned for each criterion that is used to assess compliance with corporate governance principles in the event that the company meets only part of the criteria or does not meet any of the criteria for assessing compliance with the principle. If the company indicates "compliance", then no further explanation is required.

³ Specify which of the two alternative approaches permitted by the principle has been implemented within the company and explain why this approach was chosen.

⁴ In case the tasks of the Nominating Committee are performed by another committee, then name that committee here.

⁵ Provide a list of additional committees that have been created.

BANK DETAILS AND CONTACTS

Full official name	VTB Bank (Public Joint-Stock Company)
Short name	VTB Bank (PJSC)
Main type of activity	Banking
Date of state registration	17 October 1990
General licence for banking operations	No. 1000
Main state registration number (OGRN)	1027739609391, issued by the Interdistrict Inspectorate of the Federal Tax Service of Russia No. 39 for the city of Moscow on 22 November 2002
Taxpayer identification number (TIN)	7702070139
Bank identifier code (BIC)	044525187
Address	29 Bolshaya Morskaya St., 190000, St. Petersburg
Mailing address	VTB Bank (PJSC) 43 Vorontsovskaya St., bldg. 1, 109147 Moscow
Call centre	For corporate clients 8 800 200 7799 (toll-free within Russia) +7 495 739 7799 For private clients 8 800 100 2424 (toll-free within Russia) +7 495 777 2424
Email	info@vtb.ru (for information and offers) compliance@msk.vtb.ru (for insiders)
Website	vtb.com
Details for transfers	vtb.com/o-banke/bank-vtb/revkizity/

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Registrar

VTB Registrar

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