

## KEY EVENTS

### January

- On 1 January 2018, VTB Bank successfully completed the legal procedures for its merger with VTB24 and began servicing clients under a single brand. As part of the merger, online and mobile banking were renamed VTB Online for individual customers and VTB Business Online for corporate customers. During the New Year holidays, work was carried out to integrate the customer base and IT infrastructure, and all offices and online systems started operating as part of a single brand. A single product line was made available to customers throughout the entire network of VTB offices, offering the usual high level of service.
- VTB Bank began accepting applications for mortgage loans under a new programme of state subsidies. Support for borrowers envisages a reduction in the mortgage rate to 6% over three or five years. The programme can be used by families who have a second or third child between 1 January 2018 and 31 December 2022. Borrowers can take out a loan on preferential terms for the purchase of a newly built property or for existing housing through a developer.

### February

- VTB joined a new programme offering preferential financing for small and medium-sized enterprises (Programme 1706, approved by Decree of the Government of the Russian Federation No. 1706 of 30 December 2017). The programme, which is being implemented jointly with Russia's Ministry of Economic Development, provides for a preferential annual lending rate of no more than 6.5% to companies in a variety of industries: agriculture, construction, transport, manufacturing, tourism, healthcare, etc. Loans to finance working capital are provided for up to three years or for up to 10 years for investment purposes.

VTB reached its Programme 1706 quota ahead of schedule in April 2018, concluding 32 loan agreements worth a total of RUB 4.5 billion. In total, 25 of the Bank's customers from 19 regions of Russia, representing 16 different industries, received support at a preferential annual rate of 6.5%. More than 80% of the agreements are for investment purposes.

### March

- The S&P Global ratings agency upgraded VTB Bank's long- and short-term ratings from BB+/B, with a stable outlook, to BBB-/A-3, with a stable outlook. The agency noted VTB's success in improving the structure of its resource base by replacing costly financing through capital markets with customer funding, as well as measures to diversify its business profile by increasing its share of retail business and improving operational efficiency through the consolidation of the Group's structure and management system, as well as reducing the volatility of expenses for provisions.
- VTB Bank launched an expanded benefits programme for shareholders that includes a list of financial products and services that are subject to special conditions for Bank shareholders. The updated product line was launched throughout VTB's retail network. Preferential terms and conditions for VTB shareholders apply to the Multicard, Privilege and Prime service packages, custody services and insurance. Shareholders also have access to reduced rates on cash loans and when refinancing existing loans from other banks.

## April

- VTB transferred the Group's divisions to a single information platform called the Corporate Business Portal. This project involves the introduction of tools for cross-functional interaction among Group employees and a work platform for the Bank's corporate business call centre, as well as the use of intelligent information processing algorithms. The Bank developed its own proprietary system for its Corporate Business Portal due to the scale and specificity of the Group's business.
- In April 2018, VTB was recognised as the best bank for trade finance in Eastern Europe in 2017 according to the British publication Global Trade Review. In 2017, VTB concluded more than 800 trade and export financing transactions with counterparties from 50 countries. The Bank supported its customers' foreign trade activities in the main sectors of the economy, including oil and gas, transport, machine-building, chemicals, steelmaking and others. VTB Bank also won an award for the best deal for arranging financing for the supply of aircraft for the Turkish airline SunExpress with insurance coverage provided by the Italian SACE export credit agency. This was a landmark transaction for the aviation financing market.
- VTB created a virtual bank branch to finalise its introduction of technology for remote customer service based on the OmniChat platform. The virtual branch's main functions are already available on the Bank's website, as well as through the VTB Online and VTB Business Online mobile applications. The virtual branch is a system that enables interaction between customers and the Bank's contact centre through the use of chat and other web-based collaboration tools. The online chat function enables customers to contact the Bank and exchange text messages and images with operators. Through remote channels, Bank specialists can help customers complete an application for a cash loan, a credit card or refinancing. This functionality is available both on the [www.vtb.com](http://www.vtb.com) and through the VTB Online and VTB Business Online mobile applications.

## May

- On 23 May 2018, VTB Bank's Annual General Shareholders' Meeting was convened in St. Petersburg. The meeting was attended by more than 1,600 shareholders and shareholder representatives, including attendance via videoconferencing. The event was streamed online on the Bank's website, [www.vtb.com](http://www.vtb.com). For the convenience of shareholders, an e-voting system was available for use at the meeting.

## June

- VTB Capital's research team took the top spot in the Institutional Investor Emerging EMEA Research Team Ranking 2018 (in Russia). VTB Capital also climbed one notch in the Institutional Investor rating for the EMEA region, placing fifth among investment banks in the region and taking the top spot among Russian players. The investment bank's analytical team also became the leader in the EMEA region in the following sectors:
  - first place in the "Transport" category
  - second place in the "Power" category
  - third place in the "Sovereign Debt" category

In individual rankings, the VTB Capital analytical team ranked third in the EMEA region.

- VTB Bank developed and introduced its own application "VTB My Investments" which provides retail clients with fast and easy access to investment products offered by VTB Group. The application incorporates broker services and asset management products. It allows clients to perform transactions in equities, forex and derivatives markets, to see the results of each transaction and the performance of their entire portfolio and to track changes of stock-exchange instrument rates. The flexible interface makes the application comprehensive and user friendly for both beginners and experienced individual investors.

## July

- VTB's Multicard won the Frank RG Banking Reward Award 2018 in the "Frank RG Reward Star Top-Class Programme" category. The award was presented by the Frank Research Group, a leading research company that analyses the competitive environment in the Russian financial services market.
- VTB launched a line of credit products for small businesses in the agriculture segment. Financing is provided for working capital and investment purposes for up to seven years. VTB is working to support agribusiness companies as part of its Medium and Small banking business. VTB was one of the first Russian financial institutions to start working on a programme of preferential lending implemented jointly with Russia's Agriculture Ministry.

## September

- VTB launched a new product, the Multicard credit card that offers a grace period of 101 days and the possibility of withdrawing or transferring funds without commission in the first seven days after receipt of a card. These conditions have been in effect since the cards became available in September 2018. In order to use the Bank's funds under the new Multicard credit card terms, cardholders simply have to make the minimum payment every month, i.e., 3% of the principal. Having been issued a 101-days Multicard, clients can also refinance other loans: during the first seven days, they can transfer or withdraw funds from the card in cash with no fees in order to cover debts in another bank.

## October

- VTB Bank was assigned the highest rating for corporate governance, 7++ (Developed Corporate Governance Practice), based on the results of annual independent monitoring carried out by the Russian Institute of Directors. As part of the monitoring, various components of the Bank's corporate governance system were analysed, such as shareholder rights, the performance of management and oversight bodies, information disclosure and corporate social responsibility.
- VTB completed the acquisition of a controlling stake (85%) in Vozrozhdenie Bank. VTB launched a mandatory offer to buy back shares from Vozrozhdenie Bank's minority shareholders. All minority shareholders were able to take advantage of the offer up until January 2019. As a result, VTB was able to increase its stake in Vozrozhdenie from 85% to 96.30% of ordinary shares. Vozrozhdenie Bank's Development Strategy calls for further strengthening of the bank's market position in the Moscow region in the retail and corporate segments.
- Retail Investor Day was held in Moscow. The event welcomed 635 visitors, an all-time record. Stock market experts and leading VTB analysts presented information on the implementation of VTB Group's strategy and its financial performance, innovations in terms of interaction between the Bank and its shareholders, as well as a programme of special benefits and offers for Bank shareholders.
- On 31 October 2018, VTB Group and Sogaz Insurance Group closed a deal on the sale of 100% of VTB Insurance. All the companies in VTB Insurance Group, including VTB Life Insurance and VTB Medical Insurance, were included in the transaction. Until the integration is final, the companies in VTB Insurance Group will continue to honour their obligations to their customers in full. During the first stage after the completion of the transaction, VTB Insurance Group companies will continue to operate under their own brand.

## November

- VTB Capital hosted the tenth annual Russia Calling! Investment Forum in Moscow. The event attracted more than 2,500 visitors, including more than 500 investors from 63 countries, government officials and heads of leading global corporations. Russian President Vladimir Putin addressed the forum's plenary session. The forum featured more than 900 business meetings for representatives of Russian companies and investors.
- VTB was named the 2018 Bank of the Year in Russia by The Banker magazine. The publication's international jury evaluated VTB's financial performance, as well as the strategic initiatives, technologies, products and services that the Bank introduced from January 2017 through June 2018. In winning the competition for the first time, the jury noted VTB's best practice in providing banking services in Russia. This award represents recognition by one of the most respected international financial publications of the success that VTB has demonstrated in various areas of activity: technology and management, as well as improving efficiency and shareholder value.

## December

- Retail Investor Day was held in St. Petersburg. The programme for the event included presentations by experts from VTB Group and Moscow Exchange. The key topics covered were the results of VTB's operations in 2018, VTB management's forecasts for 2019, VTB Group's dividend policy and an expanded programme of special offers for VTB shareholders.
- VTB Bank's Supervisory Council approved the purchase of an 81.1% stake in Sarovbiznesbank and a 71.8% stake in Zapsibkombank.