

At the Oktyabrsky Concert Hall, the Bank's shareholders were able to familiarise themselves with materials for the meeting and could obtain information about products and services offered by subsidiaries. In addition to traditional paper and flash cards, meeting materials were made available electronically on stands in the foyer of the Oktyabrsky Concert Hall.

The e-voting system was again available for the annual meeting, which meant that any shareholder could participate in the meeting regardless of where they live or were located at the time of the meeting. Some 1,170 shareholders voted through the e-voting system, which significantly increased the total number of shareholders who took part in the meeting. An e-voting system using biometrics and NFC technology was tested during the annual meeting. Ninety-nine per cent of the participants at the AGM expressed a high opinion regarding the quality of the electronic services and the possibilities provided.

The voting results on agenda items and all decisions taken can be seen in the "Investor Relations" section on the Bank's website at: <https://www.vtb.com> (see the "General Meeting of Shareholders" subsection).

Thirteen agenda items were considered at the meeting:

1. Approval of VTB Bank's Annual Report;
2. Approval of VTB Bank's annual financial statements;
3. Approval of VTB Bank's profit allocation for 2017;
4. The amount, terms and form of the 2017 dividend payment and the record date to determine eligibility to receive dividends;
5. The remuneration of Supervisory Council members who are not state employees, in accordance with VTB Bank's bylaws;
6. Remuneration of Statutory Audit Commission members who are not state employees, in accordance with VTB Bank's bylaws;
7. The number of VTB Bank Supervisory Council members;
8. The Election of VTB Bank Supervisory Council members;
9. The number of VTB Bank Statutory Audit Commission members;
10. The election of VTB Bank Statutory Audit Commission members;
11. Approval of the VTB Bank auditor;
12. Approval of a new edition of the Regulation on the Procedure for Preparing, Convening and Holding General Meetings of Shareholders of VTB Bank;
13. The termination of VTB Bank's participation in the Association of Russian Banks.

Meeting participants supported the proposed draft decisions on all 13 agenda items.

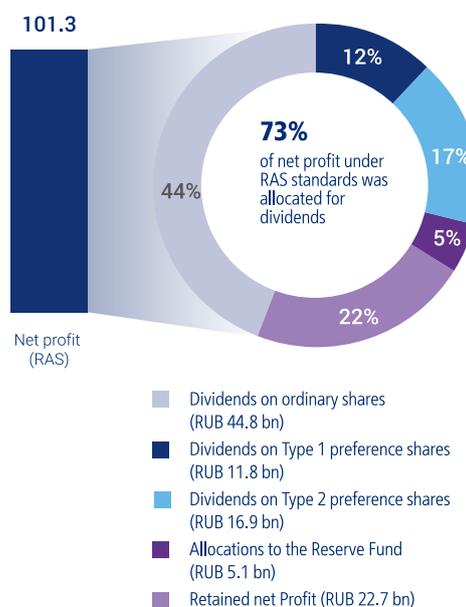
In addition, shareholders agreed to the following distribution of the Bank's profits from 2017 in accordance with the recommendations of the Bank's Supervisory Council:

- net profit to be allocated: RUB 101,268,176,223.47;
- allocations to the Reserve Fund: RUB 5,063,408,811.17;
- dividend payment allocations on ordinary shares: RUB 44,759,117,915.11;
- dividend payment allocations on Type 1 registered preference shares: RUB 11,804,188,555.41;
- dividend payment allocations on Type 2 registered preference shares: RUB 16,952,578,170.61;
- retained net profit: RUB 22,688,882,771.17.

Shareholders approved a dividend payment of RUB 0.00345349138975912 per ordinary share, which is three times as much as the year before. Detailed information on dividend payments for 2017 is available in Section "Dividends".

Grounds for the distribution of VTB Bank's profit for 2017

Distribution of VTB Bank profit for 2017 in accordance with RAS, RUB billion



The total amount of dividend payments amounted to RUB 73.5 billion, or 61.2% of the Group's consolidated IFRS net profit for 2017 (72.6% of the Bank's net profit under RAS), while dividends on ordinary shares amounted to 37% of the Bank's consolidated net profit under IFRS (or 44% of the Bank's net profit under RAS).

The amount of dividend payments for 2017 complies with the Bank's Regulation on the Dividend Policy, approved by the Bank's Supervisory Council (Minutes No. 2 of 29 January 2016), which provides for the payout in dividends of at least 25% of the Bank's consolidated net profit under IFRS.

Dividend payments for each type of Bank share for 2017 were calculated based on the principle of the equalisation of returns for all three types of Bank shares; the dividend yield for each type of share was 5.51% (for each ordinary share, this was calculated based on their average market value on Moscow Exchange for 2017; for preference shares, it was based on the par value of each type of share).

A portion of the net profit was allocated to the Reserve Fund, since in accordance with the Federal Law on Joint-Stock Companies and the Charter, the Bank must make annual payments to the Reserve Fund in the amount of at least 5% of net profit until the Reserve Fund reaches 5% of the charter capital. As a result of the increase in the Bank's charter capital in 2015, it became necessary to make contributions to the Bank's Reserve Fund in the amount of 5% of the Bank's net profit for the relevant reporting year. Contributions to the Bank's Reserve Fund for 2017 amounted to RUB 5.1 billion (compared to RUB 3.5 billion for 2016).

The Bank's retained net profit, which amounted to RUB 22.7 billion as of the end of 2017, is used to ensure the growth of the Bank's business and to cover finance capital expenditures and other goals as part of the implementation of VTB Group's strategy for 2017–2019.

SUPERVISORY COUNCIL

Scope of Responsibilities

The Supervisory Council is one of the most important elements of VTB's corporate governance system. The Council is guided in its activities by the interests of the Bank and its shareholders. Acting in accordance with Russian legislation, the Bank's Charter, the Regulation on the Supervisory Council and the Corporate Governance Code, it provides general oversight over the Bank's operations.

The main tasks of the Supervisory Council are the elaboration and adoption of the Bank's development strategy, as well as the formation of the Bank's executive bodies and oversight over their activities, organising assessments of the performance of the internal control and risk management system, determining the Bank's personnel policy, including remuneration of executive bodies and Bank management, and participation in decision-making on issues pertaining to Bank management.

The Supervisory Council determines the rules for the functioning of the Bank's corporate governance system through the adoption of bylaws that regulate the principles and procedures of its individual elements and oversight over the effectiveness of the corporate governance system as a whole.

The Supervisory Council is entrusted with the function of managing conflicts of interest between the Bank's management bodies, shareholders and employees.

Members of the Supervisory Council are elected by the General Meeting of Shareholders for a term of one year. Shareholders holding at least 2% of the Bank's voting shares have the right to nominate candidates to the Supervisory Council. Members of the Supervisory Council are elected by means of a cumulative ballot at the General Meeting of Shareholders.