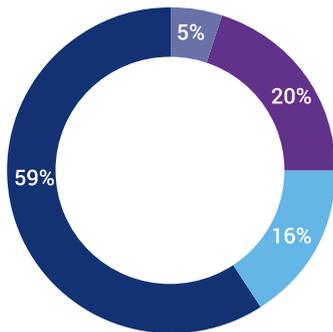


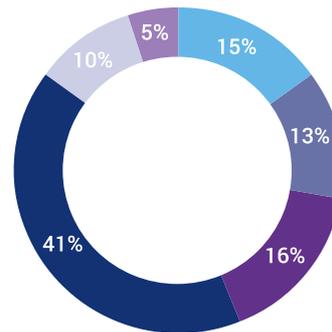
## Key issues considered by the Supervisory Council in 2018

The Bank's Supervisory Council considered a total of 147 issues in 2018, and the Supervisory Council committees prepared recommendations on 60 of these issues.

### Issues considered by the Supervisory Council in 2018



- Recommendations of the Audit Committee
- Recommendations of the Staff and Remuneration Committee
- Recommendations of the Strategy and Corporate Governance Committee
- Issues considered by the Supervisory Council without Committees' approval



- Priority areas for the Bank's operations
- Risks and internal control
- Staff and motivation system issues
- Corporate governance and procedural Issues
- Review of reports and plans
- Approval of related-party transactions

### Priority areas for the Bank's operations:

- approval of VTB Bank's business plan and financial plan (budget) for 2019;
- approval of VTB Bank's Long-Term Development Programme for 2014–2019;
- the Bank's participation in Dynamo Management Company, VTB Registrar, VTB Bank, VTB Bank's Kazakhstan subsidiary, VTB Bank (Belarus), VTB Bank (Armenia), Banco VTB Africa, as well as the acquisition of stakes in Vozrozhdenie Bank, Cordex, Sarovbiznesbank and Zapsibkombank.
- termination of participation in VTB Banka a.d. Beograd, VTB ECP Finance Designated Activity Company and VTB Insurance;
- approval of an action plan for the sale of the Bank's non-core assets and for (quarterly) registration of the Bank's non-core assets;
- restructuring of the Bank's corporate branch network.

### Corporate governance and procedural Issues:

- calling, and determining the agenda for the AGM of 23 May 2018, establishing the record date for eligibility to participate in the General Meeting of Shareholders, consideration of issues proposed by Bank shareholders for inclusion on the agenda of the AGM, consideration of candidates proposed by Bank shareholders for election to the Supervisory Council and Statutory Audit Commission, and other issues related to the preparation and conduct of the General Meeting of Shareholders;
- recommendations on the distribution of profits and the amount of dividends on Bank shares;
- preliminary approval of the Bank's Annual Report;
- proposals of candidates for the Bank's auditor;
- review of the results of the evaluation of the corporate governance system for 2017;
- new editions of the Regulation on Remuneration and Key Performance Indicators for the Activities of the Executive Bodies of VTB Bank and of the Regulation on the Procurement of Goods, Works, and Services by VTB Bank were approved; the Regulation on the Bank's Sponsorship and Charitable Activities Committee, the Regulation on the Procedure for Carrying Out Sponsorship Activities within the Bank and the Regulation on the Procedure for Carrying out Charitable Activities within the Bank were approved.

### Staff issues:

- election of the Chairman of the Supervisory Council (Anton Siluanov);
- election of the Senior Independent Director (Yves-Thibault de Silguy);
- approval of the Supervisory Council to allow the President and Chairman of the Management Board and members of the Management Board to hold management positions in other organisations;
- election of Andrey Puchkov and Dmitriy Olyunin to the post of First Deputy Chairman and President of the Management Board, as well as Valery Chulkov, Dmitriy Pianov and Oleg Smirnov as members of the Management Board, while also establishing their remuneration and compensation.

### Risks and internal control:

- new editions were approved of the Bank's Risk and Capital Management Strategy and Procedure for Managing the Most Significant Risks;
- review of reports on the activities of the Internal Audit Department for H2 2017 and H1 2018, and approval of its work plan for 2019;
- review of a report on the results of the implementation in 2017 of the Rules on Internal Monitoring in Respect of the Prevention of Money Laundering and Terrorist Financing (AML/CTF) and recommended measures to improve the AML/CTF system;
- review of the quarterly reports by inspectors on the Bank's professional activities in the securities market and specialised depository;
- review of quarterly reports on significant risks and capital adequacy of VTB Bank, as well as on the results of stress testing at VTB Bank; approved/amended key parameters of quantitative indicators of the risk appetite of VTB Bank and VTB Group.

### Review of reports and plans:

- reports on the activities of the Supervisory Council's committees;
- report on the Bank's sponsorship and charitable activities for 2017 and the plan for VTB Bank's sponsorship and charitable activities in 2019;
- report on the work of the Corporate Secretary in 2017;
- report on interaction between VTB Bank and its shareholders in 2017 and plans to work with shareholders in 2018;
- report on the financial results and performance of VTB Group companies (quarterly);
- progress report on the implementation of the Bank's Programme for the Divestment of Non-core Assets (quarterly);
- the work plan of VTB Bank's Supervisory Council for 2018–2019.

In addition, the Supervisory Council also approved a number of related-party transactions in 2018.