

INVESTOR RELATIONS

Relations with shareholders and representatives of the investment community has traditionally been a high priority for VTB Group and extend beyond required corporate procedures. VTB has been recognised as one of the leaders in Russia in this area, which has allowed the Bank to maintain a consistently high national corporate governance rating of 7 ++.

VTB senior management and authorised units engage with investors on an ongoing basis. The Investor Relations Department is responsible for communications with institutional investors, and its Shareholder Relations Service is responsible for communications with individual shareholders.

In 2018, the Bank continued implementing its Plan (Roadmap) to improve the perception of VTB among Minority Shareholders. Despite the negative market situation, the number of VTB shareholders increased by almost a third.

In 2018, the key investor relations events were:

- the Annual General Meeting of Shareholders;
- the conversion of VTB24 shares into VTB Bank shares;
- the development of the Bank's electronic communication channels:
 - the launch of an online platform for communication with institutional investors and for organising meetings;
 - testing of the e-voting system at General Meetings of Shareholders with the use of biometrics and NFC technology;
- updating the VTB Shareholder mobile app;
- the launch of an updated programme of special offers for individual shareholders at branches of the merged Bank throughout the country.

129 thousand - individual shareholders

The total number of shareholders of the Bank as of January 2019 was 129.6 thousand, including 128.6 thousand individuals. During 2018, the number of shareholders of the Bank increased by 37.3%, or by 35 thousand individuals.

Growth in the number of individual shareholders was observed throughout 2018. Among the Bank's individual shareholders, more than half are shareholders who bought shares on the secondary market.

- Some 5,855 shareholders received VTB shares in exchange for shares of Bank VTB North-West (formerly PromStroyBank) after its merger with VTB in 2011.
- Some 2,696 shareholders became holders of VTB shares as a result of the conversion of VTB24 Bank shares into VTB Bank shares after their merger.
- Less than 40% are shareholders of the Bank who participated in the initial public offering in 2007.

As of the end of 2018, there had been an increase in the number of shareholders in all age groups, without exception. At the same time, the most impressive growth was seen among 20–35-year-old shareholders, a group that increased by 70%, adding 11 thousand shareholders.

Merger with VTB24, Redemption and Conversion of Shares

At the end of 2017 and the beginning of 2018, VTB Group underwent a large-scale reorganisation that saw the merger of VTB24 into VTB Bank. As a result, on 10 January 2018, ordinary shares in VTB24 were converted into ordinary shares in VTB Bank in accordance with Article 75 of the Federal Law on Joint-Stock Companies. The conversion ratio was 1/79 (1 share of VTB24 was converted into 79 shares of VTB Bank). The terms of the conversion were the same for all VTB24 shareholders. At the same time, shares of VTB24 owned by VTB24 and VTB Bank were not subject to conversion and were redeemed. After the completion of the merger, VTB Bank became the legal successor to VTB24, taking on all of its liabilities.

Changes to the register were made by the Bank's registrar, VTB Registrar, after the Bank made the relevant entries in the Unified State Register of Legal Entities and on the basis of the documents submitted to the registrar. As a result of the conversion of VTB24 shares into shares of VTB Bank, the number of VTB shareholders increased by 2,696, including 2,611 individuals.