

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.

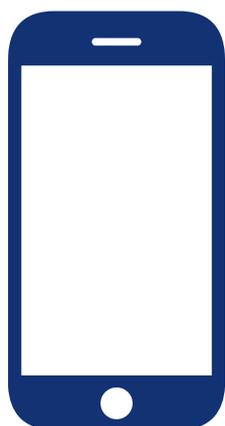
Merger with VTB24, Redemption and Conversion of Shares

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.

One of the key challenges facing the Bank in terms of developing its relations with minority shareholders in 2018 was to provide shareholders with new possibilities for communication, primarily remote channels of electronic communication. These faster, more convenient forms of electronic communication are gradually gaining more and more trust among users. For example, the VTB Shareholder mobile application, which was developed by VTB Bank and VTB Registrar specifically for the needs of private investors, is very popular. There was a significant increase in the number of users of the application in 2018.

Users of the application have access to information from leading analysts in VTB Group, online information on stock prices, the ability to maintain records of their investment portfolio and to stay up to date on current information about privileges for VTB shareholders.



19,019 ^{+61% Y-o-Y}

Downloads of the mobile application "VTB Shareholder"

5,346 ^{+69% Y-o-Y}

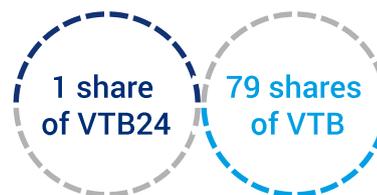
Active users of the mobile app

102

Publications and news on the mobile application "VTB Shareholder"

In 2018, the VTB Shareholder mobile application added functionality that enables users to see all existing privileges for VTB Bank shareholders. In addition, shareholders can use the convenient feature of filtering the available privileges that they want to see. To do this, a user only needs to specify the number of shares they own. For active investors, a function was added that allows investors to connect to the trading system in the VTB My Investments application.

Through the VTB Shareholder mobile application, any shareholder, regardless of where they live or are currently located, can receive information on the activities of the Bank and VTB Group as a whole and on their investments, they can take part in the management of the Bank, vote at general meetings and not miss out on any important corporate actions. In 2018, the Bank also continued to develop its e-voting functionality, which has been firmly established as the main instrument used by the Bank's shareholders to express their will. For example, an e-voting system using



Conversion conditions were similar for all VTB24 shareholders. VTB became a legal successor of all VTB24 liabilities

Development of electronic communication channels, testing of the e-voting system using biometrics and NFC technology

biometrics and NFC technology was tested at the AGM on 23 May 2018.

Facebook and Twitter remained among the priority means of communication with shareholders, with engagement led through the accounts of the Shareholders Consultative Council. The number of Facebook followers increased by 26% over the year. These channels enable the Bank to quickly convey important information to shareholders and to attract a younger audience. In addition, social networks open up the possibility of hosting a wide range of additional media materials, such as videos and interviews, photo reports and live broadcasts.