

attractive to investors. During the meetings, topics discussed included the activities of VTB Group, as well as the concerns of private investors from investment companies and the readers of the regional business press. The meetings with journalists resulted in more than 55 publications in the media that showed VTB Group in a positive light.

As part of a programme to improve the financial literacy of existing and potential retail shareholders and also in order to develop business cooperation between Bank branches and regional universities, VTB has been organising workshops for students majoring in Finance and Economics at leading

Russian universities since 2013. In 2018, similar events were held in Irkutsk, Nizhny Novgorod and Tomsk. They were attended by over 450 students, who praised the quality of the presentations and the speakers, as well as the topics covered by the workshops.

In addition, in 2018, the Bank took part in 15 international investment conferences, during which 180 meetings with institutional investors were held. As part of the disclosure of the Group's IFRS financial results, four online audio conferences and question and answer sessions were held for investors and analysts.

## Shareholders Consultative Council



The Shareholders Consultative Council (SCC) represents the interests of minority VTB shareholders in relations with the Bank's managing bodies. All SCC members are Bank shareholders. In Russian practice, such shareholder councils are very rare. At the same time, the Central Bank considers such councils to be effective and useful for increasing the activity and involvement of shareholders. VTB's Shareholders Consultative Council has been in operation for almost 10 years and has been actively involved in the development of not only the Bank but also the Group as a whole.

At the AGM in 2018, shareholders once again elected representatives of the SCC into the Bank's management and oversight bodies. The head of the Consultative Council, Igor Repin, was elected to the Bank's Supervisory Council, and Vadim Soskov became a member of the Bank's Statutory Audit Commission.

## Members of the Shareholders Consultative Council



**Igor Repin** – Deputy Executive Director of the Association of Professional Investors. Chairman of the Board of Directors of the Ekologiya Federal Centre for Geoecological Systems, Member of the Supervisory Council of VTB Bank and a Member of VTB Bank's Strategy and Corporate Governance Committee, Audit Committee, and Staff and Remuneration Committee. Graduated from Lomonosov Moscow State University, received a Category 1 certificate from the Moscow Federal Commission for the Securities Market.

Member of VTB's Shareholders Consultative Council since 2013.

Holds shares equivalent to 0.000000046% of the Bank's charter capital as of 31 December 2018.

Holds 0.000000231% of ordinary shares of the Bank as of 31 December 2018.



**Vadim Soskov** – Managing Director at Sistema, member of VTB Bank's Statutory Audit Commission. Winner of a Russia's Financial Elite award for Most Senior Player in the collective investment market. He is also included on the list of "Russia's top 1,000 managers". He was a TACIS expert for the World Bank on pension reform in Russia. He graduated from Moscow Lenin State Pedagogical University. PhD in Economics. Member of VTB's Shareholders Consultative Council since 2013.

Holds shares equivalent to 0.00000307% of the Bank's charter capital as of 31 December 2018.

Holds 0.0000154% of ordinary shares of the Bank as of 31 December 2018.



**Sergey Gavrillov** – Chairman of the Russian State Duma Committee on Civil Society, Public Associations and Religious Organisations. Graduated from Lomonosov Moscow State University. PhD in Economics. Member of VTB's Shareholders Consultative Council since 2009.

Holds shares equivalent to 0.000003358% of the Bank's charter capital as of 31 December 2018.

Holds 0.000016866% of ordinary shares of the Bank as of 31 December 2018.



**Alexander Yenin** – Head of Premier BCS projects at BCS. Graduated from the Financial University under the Government of the Russian Federation and the Russian State Social University. Member of VTB's Shareholders Consultative Council since 2017.

Holds shares equivalent to 0.000002458% of the Bank's charter capital as of 31 December 2018.

Holds 0.000012345% of ordinary shares of the Bank as of 31 December 2018.



**Vladimir Znamensky** – Lawyer for the United Metallurgical Company, specialising in corporate law. He completed undergraduate studies in Law and master's studies in Corporate Law at Lomonosov Moscow State University. He is a member of Young International Arbitration Group and the Russian Arbitration Association 25.

Member of VTB's Shareholders Consultative Council since 2017.

Holds shares equivalent to 0.000000614% of the Bank's charter capital as of 31 December 2018.

Holds 0.000003086% of ordinary shares of the Bank as of 31 December 2018.



**Vladimir Zotov** – Director of the Institute of Social Engineering at the Kosygin Russian State University and Assistant Professor in the Management Department. He holds a Ph.D. in Economics and is a Corresponding Member of the Russian Academy of Engineering. He graduated from Moscow State University of Design and Technology.

Member of VTB's Shareholders Consultative Council since 2017.

Holds shares equivalent to 0.0000000000154% of the Bank's charter capital as of 31 December 2018.

Holds 0.0000000000772% of ordinary shares of the Bank as of 31 December 2018.



**Stanislav Kleschev** – Head of the Analytics Division in VTB Bank's Brokerage Services Department. He completed undergraduate and graduate studies at Lomonosov Moscow State University. He is a member of the Moscow Exchange Index Committee and Listing Council. Member of VTB's Shareholders Consultative Council since 2013. Holds shares equivalent to 0.000001613% of the Bank's charter capital as of 31 December 2018. Holds 0.000008102% of ordinary shares of the Bank as of 31 December 2018.



**Valery Petrov** – Vice President for Market Development and Regulation at the Russian Association for the Crypto-Industry and Blockchain. Deputy Chairman of the Management Board at the Institute of Financial Markets. He holds several university degrees, as well as a Chartered Financial Analyst (CFA) diploma. Has a PhD in Economics. Member of VTB's Shareholders Consultative Council since 2013, was elected Chairman of the second Shareholders Consultative Council. He was a member of the Supervisory Council of VTB Bank from 2016 to 2018. Holds shares equivalent to 0.000000015% of the Bank's charter capital as of 31 December 2018. Holds 0.000000077% of ordinary shares of the Bank as of 31 December 2018.



**Maxim Sergeev** – Engineer at the St. Petersburg Alferov Academic University. Graduated from Ukhta State Technical University. Member of VTB's Shareholders Consultative Council since 2013. Holds shares equivalent to 0.000000968% of the Bank's charter capital as of 31 December 2018. Holds 0.000004861% of ordinary shares of the Bank as of 31 December 2018.



**Ilya Khersontsev** – Advisor to the Chairman of the Management Board at Astramed-MS. A member of the Russian Association of Independent Directors. He graduated from the Urals State Technical University with a degree in IT Systems in Economics. Member of VTB's Shareholders Consultative Council since 2017. Holds shares equivalent to 0.000308740% of the Bank's charter capital as of 31 December 2018. Holds 0.001550861% of ordinary shares of the Bank as of 31 December 2018.



**Yelena Shafranskaya** – Self-employed entrepreneur in the field of construction and real estate. She graduated from the Irkutsk Polytechnical Institute with a degree in Cybernetics. Member of VTB's Shareholders Consultative Council since 2017. Holds shares equivalent to 0.000001536% of the Bank's charter capital as of 31 December 2018. Holds 0.000007716% of ordinary shares of the Bank as of 31 December 2018.



**Elena Shtykanova** – Advisor to the Senior Vice-President of Norilsk Nickel. PhD in Economics. She graduated from the Moscow State Institute of International Relations of the Russian Foreign Ministry with a degree in International Economic Relations. Member of VTB's Shareholders Consultative Council since 2013. Holds shares equivalent to 0.000000476% of the Bank's charter capital as of 31 December 2018. Holds 0.000002390% of ordinary shares of the Bank as of 31 December 2018.

The Shareholders Consultative Council plays an increasingly important role in the work of the Group's subsidiaries. In January 2019, for example, three members of the SCC became independent members of the Board of Directors of Vozrozhdenie Bank.

**In 2018 5 meetings of the Shareholder Consultative Council were held, as well as 1 online conference with the participation of SCC members**

During Board meetings, members of the SCC meet with representatives of the Bank's top management, who oversee various operations. In 2018, meetings were held with the managers of the Information Technology Department, the Retail Products Department, the Human Resources Department and the Retail Business Development and Coordination Department. In addition, several officers holding the post of Deputy President and Chairman of the Management Board took part in the meetings. One was an expanded meeting that was attended by employees of the Central Bank of the Russian Federation, the Association of Professional Investors and the Russian Institute of Directors (RID). The RID representatives prepared a report on VTB's ratings in the field of corporate governance, commending the Bank's consistent efforts to develop its corporate governance systems. They highlighted in particular the positive aspects of the Bank's practice in dealing with minority shareholders.

During the final meeting of the Shareholders Consultative Council in December 2018, the results of the Council's work in 2018 were summed up. In addition, the work plan for 2019 was discussed. In 2019, members of the SCC plan to pay attention to the further development of the programme of benefits for VTB shareholders, the advancement of a new development strategy, issues related to dividend payments and questions about key business areas.

SCC members play an active role in communication with shareholders, including at the AGM, Investor Days, seminars and online through electronic channels. Information and suggestions received are reflected in the SCC's proposals for VTB management. For example, strategy proposals were collected through an online conference with retail shareholders. The conference discussed the implementation of the current strategy and current financial indicators, and it also gathered ideas from shareholders regarding aspects of a new strategy.

During the collection of ideas and proposals, which lasted from 19 September 2018 to 25 October 2018, SCC members received more than 100 ideas, views and recommendations regarding the future strategy of VTB Group. Forty-nine of them were selected and submitted to the Bank's management for consideration.

During the year, the members of the SCC took part in various specialised forums and conferences devoted to corporate governance, interaction with private investors, development of the investment market and improvement of financial literacy:

- Moscow Exchange's FINFAIR on financial solutions;
- Exchange Forum;
- Moscow Exchange's "Retail Investor – 2018" conference;
- Moscow Exchange's "Corporate Governance in Russia – 2018" forum;
- Forum for Corporate Secretaries;
- An economic conference to mark the 100th anniversary of the Rostov University of Economics in Rostov-on-Don;
- The "Digital Ecosystem of Eastern Siberia" conference in Irkutsk.

Speaking at various events, the members of the Consultative Council shared best practices with VTB Bank minority shareholders and took part in panel discussions and workshops.

The Regulation on VTB's Shareholders Consultative Council can be found in the "Investor Relations" section on the Bank's website at: <https://www.vtb.com/akcionery-i-investory/informaciya-dlya-akcionerov/konsultacionnyj-sovet-akcionerov/>

## Areas of activity of the Shareholders Consultative Council in 2018

### RIGHTS OF SHAREHOLDERS

- Highly rated corporate governance by the regulator and the professional community
- Increase in dividend payout
- Expansion of the programme of shareholder privileges

### STRATEGY AND MANAGEMENT

- Shareholder participation in shaping VTB Group's strategy to VTB 2020-2022
- Addition of representatives of retail shareholders to the Supervisory Council and the Statutory Audit Commission
- Close interaction with subsidiaries
- Joint work on the Corporate Governance Code

### COMMUNICATION

- Development of the system of interaction with shareholders
- Development of existing channels of communication
- Improving electronic services
- Increased shareholder trust in the Bank
- Feedback on the results of test purchases and use of the Group's products

## DISCLOSURE POLICY

Information disclosure is one of the most important tools for the Bank's interaction with shareholders, investors, customers and other interested parties, contributing to the formation of long-term relationships with all stakeholders, while also increasing the Bank's investment attractiveness.

When disclosing information, VTB Bank is guided by the applicable legislation of the Russian Federation, the requirements of Moscow Exchange and the London Stock Exchange, the Regulation on the Bank's Information Policy and its Corporate Governance Code, as well as other requirements and regulations.

The Regulation on the Bank's Information Policy and the Bank's Corporate Governance Code can be found here:

[https://www.vtb.com/akcionery-i-investory/raskrytie-informacii/ustav-i-vnutrennie-dokumenty/#tab\\_0\\_1#](https://www.vtb.com/akcionery-i-investory/raskrytie-informacii/ustav-i-vnutrennie-dokumenty/#tab_0_1#)