

## 2. STATEMENT OF THE CHAIRMAN OF THE SUPERVISORY COUNCIL



**Anton Siluanov**  
Chairman of the Supervisory Council

Dear shareholders, clients and partners,

VTB is a Russian leading universal financial institution providing its services to private individuals, businesses and public bodies. The scope of Bank's activities makes it a financial institution of key systemic importance offering credit and investment solutions to corporate and retail customers.

In 2018, VTB Group made significant progress in achieving its primary objectives: profitability exceeded target levels and the restructuring of the Group was completed successfully.

VTB Group's IFRS net profit for 2018 amounted to RUB 179 billion, 19% above the target. This was the result of an increase in core banking revenues, efficient cost management and strengthening of market positions in principal business segments. VTB's loan portfolio growth outperformed the industry dynamics, which allowed the Bank to deliver on its strategic goals in retail and corporate lending. The Group's market share in loans to corporates increased in 2018 by 190 bp to 19%, while the market share in retail loans grew by 70 bp to 18%. At the same time, the Group significantly strengthened its position in attracting retail deposits: during the reporting year, our market share in Russia increased by 200 bp to 14% significantly outstripping the strategic benchmark.

In a world of rapidly developing technologies and customer expectations it is paramount to ensure the reliability and adaptability of banking systems and the development of competitive advantages through the introduction of innovative financial products and service technologies. Among the Bank's key achievements in 2018 were the harmonisation of the Group's IT infrastructure, improvement of the reliability of IT systems and the introduction of new digital services for corporate and retail clients based on an agile development methodology.

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A high position in the National Corporate Governance Rating, corresponding to “well-developed corporate governance practice”

# 130 thousand

of shareholders

# 37%

Increase in the total number of shareholders

The Supervisory Council pays a great deal of attention to maintaining high standards of corporate governance, which are an essential element of sustainable growth. In order to achieve this, together with the Bank's management we maintain the advanced system to monitor procedures and practices aimed at ensuring that shareholder rights are fully observed, including continuous feedback from minority shareholders.

As of January 2019, the Bank had a total of 129.6 thousand shareholders, 128.6 thousand of whom were private individuals. Our shareholder base grew 37% last year, which is evidence of market confidence in VTB and confirmation of our high level of corporate governance.

Today, VTB Group has set ambitious new goals for itself; achieving them will require changing the way that the Group organises its work and improvements in our corporate culture. The Group's current strategy will enable VTB to become more flexible and more competitive, and further improve its performance.

I would like to thank VTB's shareholders, clients and partners for their trust and cooperation. I am confident that the concerted efforts of the Group's entire team will bring us to further advancements and new achievements.



Sincerely,  
**Anton Siluanov**  
Chairman of the Supervisory Council