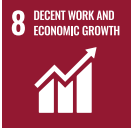


PROMOTING SMALL AND MEDIUM ENTERPRISE DEVELOPMENT

Understanding that SMEs play an important role in the economy of any country, VTB Group companies strive to increase the availability of long-term financial resources to SMEs through actively participating in government support programmes and developing in-house products and initiatives that meet the needs of clients within this segment.

In 2019, VTB Bank joined the renewed programme of the Russian Ministry of Economic Development to finance SMEs in Russia's priority industries, such as agriculture, construction, transportation, manufacturing, tourism, and healthcare, at a preferential rate of up to 8.5%.



SERVICE FOR OPENING CURRENT ACCOUNTS



An entirely new client account was designed that offers the ability to open bank accounts remotely, making banking services even more accessible and convenient. Another new offer is Field Service, a service that lets legal entities, sole traders, and individuals engaged in private practice open bank accounts without having to visit a Bank's office in person. Besides, VTB Bank joined forces with ESK (Perviy OFD brand) to launch a new one-stop-shop service, allowing SMEs to open bank accounts and purchase online cash registers. This will minimise costs and time for clients.

EQUITY PARTICIPATION AGREEMENT FOR BUSINESS



VTB Bank launched a pilot project for SMEs to receive loans to purchase commercial real estate properties under construction subject to an equity participation agreement. Companies will be able to grow their assets and expand their operations at minimal risk, as the rights to cash assets of buyers will be protected.

NON-BANKING SERVICES PLATFORM



VTB launched a platform that lets entrepreneurs use business services online, including tax management and accounting solutions, 24/7 legal support, a package of services to take businesses online, a contractor search service to complete one-off tasks, and express services for checking contractors and registering trademarks.

VTB BUSINESS CONNECT



An online B2B service system, including a corporate purchasing platform and a digital distribution service that brings together non-network retailers and vendors for direct interaction. VTB Business Connect works to unite the B2B market, giving the players jumping-off points for further growth.

The platform also features Secure Payment, a service protecting business transactions; and Export Accelerator, a service that helps businesses assess their export opportunities and enter markets outside of Russia.

START.VTB.RU SERVICE



The service allows users to complete a free online procedure to register a limited liability company or sole proprietor with the Federal Tax Service and apply to open an account with VTB Bank. The remote company registration involves issuing the client with a qualified e-signature. The client uses it to sign the required documents and then sends them online to the Federal Tax Service.

VTB Bank provides extensive support for SMEs across Russia. For example, in 2019:

- a credit limit was set to *Dekorativno-tsvetochnyye kultury* (Udmurt Republic) for the purposes of constructing a state-of-the-art greenhouse and purchasing innovative gas-powered electrical generators for heating and lighting;
- a target-specific loan was issued to *Bunker Company* (Arkhangelsk region) to purchase two reinforced ice-class ships;
- a line of credit was opened to *SELF* for the purposes of reconstructing the Altai territory Museum of Art;
- a line of credit was opened to *KamchatTralFlot* for the purposes of constructing a fish-processing plant in Kamchatka territory;
- VTB Leasing and *Yandex.Taxi* entered into a cooperation agreement, allowing *Yandex.Taxi* partners to use a simplified procedure to expand and upgrade taxi fleets.

The VTB Group's banks also provide support to companies in the countries and regions of operation:

- Owing to cooperation with the Investor Support Centre, VTB Bank (Armenia) provided an opportunity to obtain pledge-free loans for startups during their first year of existence;
- VTB Bank (Belarus) continued to issue Remeslennik consumer loans for the self-employed;
- VTB Bank (Georgia) issued a loan to provide funding for the St. Andrew the First-Called University with the Patriarchy of Georgia;
- *Zapsibkombank* opened lines of credit for projects to develop agriculture and provide support for agricultural companies in Tyumen region and Khanty-Mansi Autonomous district;
- *Vozrozhdenie Bank* issued a loan to construct a greenhouse complex in Volgograd region.



PRODUCT FACTORY AND DIGITAL FACTORY

In 2019, VTB launched two initiatives – Product Factory and Digital Factory – to work with SMEs. The VTB product factory will improve and accelerate the development of new offers that meet business needs, and it will ensure that they are brought to market as quickly as possible. Digital Factory's objectives include introducing and developing non-banking services for entrepreneurs, providing clients with state-of-the-art digital solutions for business, and developing new digital communication channels.

In 2019, the Bank continued to strengthen its market positions, especially by deploying new formats to support the SME sector. To support SMEs and promote this market segment, VTB Bank launched several advertising activities. These include:

- *We Help by Doing*, a project (together with RBC) that involved an all-Russian competition for entrepreneurs, with all three winners receiving certificates for advertising campaigns (the Bank prepared a complete set of creative handouts and conducted the campaigns), free one-year payment and cash services from VTB, and an opportunity to receive training in export market entry;
- A federal advertising campaign along with a special offer as part of the At the Start bundled service (opening and maintaining a bank account free for one year);
- Fair Table, a project (together with RBC) that involved a national competition called *Challenge Leads to Success* for entrepreneurs, with the winner receiving the grand prize – RUB 1 million to develop a business – and all three winners getting free one-year payment and cash services from VTB along with the opportunity to receive specialised training;
- A series of dedicated projects involving the leading information media: *The Village*, *vc.ru*, *Rusbase*, *LifeHacker*, and *The Firm's Secret*
- Support for the national Business Success award promoting SME development; sponsorship for the *Best Web Project* award; and participation in regional forums called *Territory of Business Is the Territory of Life*.

VTB ACCELERATOR

In 2019, VTB Bank joined the Internet Initiatives Development Fund to create the VTB Accelerator. This corporate accelerator was designed to search the market for ready-made innovative solutions that can reduce costs or bring the Bank additional profit through the creation of new products

and services. Through the accelerator, rapid pilots are conducted to assess the potential business impact and technological feasibility of innovative solutions, and the most successful ones are scaled up.

As part of the second enrolment, VTB started pilot projects involving startups. These included:

- behavioural data assessment service for borrowers;
- remote verification of mobile services users;
- interactive assistant for employee training;
- a platform for creating virtual voice operators.

The second accelerator enrolment also saw 301 applications received from tech companies in five countries that met the Bank's requirements. In 2019, two enrolments took place for the programme, with ten projects now being piloted, four projects completed, and one project put into service. Eight business units of the Bank acted as internal customers for the pilots.

Furthermore, in 2019, a number of events was held and sponsored as part of the VTB Accelerator, which were aimed at developing innovations and creating a venue for interaction between corporations and startups:

- a *Demo Day* for the pilots of VTB Accelerator with the participation of internal VTB's customers and over 300 attendees (startups, investors, corporations);
- a conference called *Pilot with the Bank: How to Prove the Value of an IT Solution and Start Cooperating*;
- Urban Tech Moscow hackathon (2,000 participants), an international project to develop student entrepreneurship, arranged by the Moscow Government;
- *GoTech Arena* forum dedicated to business and technology;
- *Spb Startup Day* conference, Saint Petersburg's largest startup event (2,000 participants).

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business units acted as internal customers for VTB Accelerator pilot projects