

Responsible Financing

VTB pays significant attention to supporting projects aimed at developing the social and economic potential of the regions and countries of operation. Group companies provide services to support priority economic sectors, the development of small and medium-sized businesses, as well as projects in the field of housing and public utilities, healthcare and infrastructure construction.

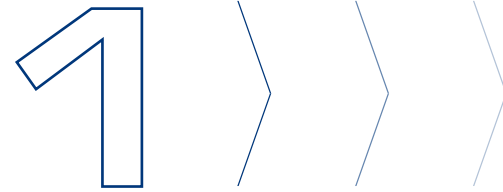
By financing socially significant projects and working closely with the government, VTB contributes to the economies of the regions and countries in which it operates by providing employment and generating labour income, as well as generating tax revenue for municipal, regional and national budgets. VTB also helps small and medium businesses meet their objectives in the most effective way possible by adjusting and developing its services. Particular attention is paid to the development of innovative digital technologies.

VTB and *Rostelecom* PJSC launched Russia's first universal geo-analytics platform

The company *Big Data Platform*, created in the spring of 2020 by VTB Bank and *Rostelecom* has developed the first universal geo-platform in Russia based on the analysis of impersonal data using automatic machine learning methods. The platform makes it possible to forecast demand, customer flows and other factors in specific locations in order to make decisions about the location of retail outlets, offices, advertising facilities, as well as to assess the investment appeal of buildings and land.

The geo-platform compares 170 layers of impersonal data from banking, telecom and digital services and suggests the best site for a new hair salon, billboard or residential development.

The data collected in a single geo-grid allows the use of automatic machine learning methods, which speeds up the process of bringing products to market. The technologies can be adapted to a company's specific needs within a week.



Support by VTB

LENDING

FINANCIAL CONSULTING

BANKING

LEASING

INSURANCE

FACTORING

2

3

4

Significance for business

IMPROVEMENT OF BUSINESS EFFICIENCY

FUNDING FOR OPERATING COSTS AND DEVELOPMENT

WARRANTY COVER

RISK MANAGEMENT

Socially important segments of business

State and municipal management

Manufacturing industry

Transport infrastructure

Housing and public utilities

Agriculture

Social Infrastructure

Public effect

- Promoting sustainable economic development;
- Ensuring employment and personal fulfilment;
- Social support for the population;
- Reducing the impact on the environment;
- Improving the quality of life of the population.

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- Improving the quality of life of the population;
- Social support for the population.

Developing Russia's transport system

In supporting the development of the transport sector in the Russian Federation, VTB Group not only facilitates accessibility to the regions of operation and increases the mobility of the local population, but also sees its objective in the implementation of the principle of high-quality infrastructure investments. In addition to economic results, social and environmental impacts are taken into account in the implementation of projects.

IN 2020, VTB AND THE ST. PETERSBURG CITY GOVERNMENT AGREED ON THE IMPLEMENTATION OF MAJOR URBAN TRANSPORT PROJECTS:

- The parties reached an agreement on joint activities to ensure the uninterrupted and continuing construction of facilities for the St. Petersburg Metro. VTB registered the Metrostroy of the Northern Capital JSC company, 65% of shares of which were donated to the city. The main activity of Metrostroy of the Northern Capital JSC is the design, construction and reconstruction of subway facilities;
- The parties signed an agreement on the implementation of the project on the construction of the Vitebsk interchange of the Western High-Speed Diameter on the basis of public-private partnership. The construction cost of the interchange is estimated at RUB 27 billion.



Road construction in the Republic of Bashkortostan

The project for the construction of the eastern exit from Ufa to the M-5 "Ural" federal highway is being implemented under a concession agreement between the Bashkir Concession Company (part of VTB Infrastructure Holding) and the Government of the Republic of Bashkortostan. The construction of the Eastern Exit will not only increase the capacity of Ufa's road network, but will also increase tax revenues to the budget of Bashkiria and increase its investment attractiveness.

New jobs will be created thanks to the project's implementation: more than 1.3 thousand people will be employed at the peak of the construction, and more than half of the personnel will be residents of Bashkiria. The project contributes to the development of small and medium businesses in the construction zone, as well as the emergence of opportunities for the development of new areas of Ufa.

884.4
billion RUB

volume of lending to the transport industry
in 2020

SAMPLE PROJECTS TO DEVELOP THE TRANSPORT SYSTEM IN RUSSIA IMPLEMENTED WITH VTB BANK PARTICIPATION

PROJECT	DESCRIPTION	AMOUNT, RUB MILLION	EFFECT OF PROJECT IMPLEMENTATION
"Eastern exit" in Ufa Construction of a toll road in the Republic of Bashkortostan	Credit limit	1 1,600	Improvement of transportation infrastructure, development of additional routes of communication, creation of over 1.5 thousand new jobs
Construction of the Vitebsk interchange of the Western High-Speed Diameter in St. Petersburg	Credit limit	10,000	Improved accessibility of the Western High-Speed Diameter (WHSD) for the residents of the adjacent city districts, reduced load on the existing WHSD interchange and the adjacent street and road network; more than 5.5 thousand new jobs created
"The Power of Siberia" Construction of the Kovykta - Chayanda section gas pipeline	Leasing equipment	370	Securing gas supplies to consumers in the Far East and Asia Pacific countries
Construction of a coal terminal of a closed type Nakhodka, Primorsky territory	Credit limit	150	Construction of a coal terminal in compliance with the latest environmental safety standards

Social and economic benefits from the implementation of VTB's infrastructure projects

Socio-economic effects are not directly reflected in the commercial performance of infrastructure facilities, but lead to an increase in indicators of socio-economic development of the subjects of the Russian Federation and municipalities, among which include:

- the creation of new jobs and increased wages;
- improvement of the quality of life, and increase of the mobility of the population;
- an influx of qualified personnel and an increase in labour productivity;
- introduction of modern production and service technologies;
- higher environmental and safety standards;
- growth of investments;
- growth of associated business and business for infrastructure servicing.

Support for healthcare projects

VTB recognises the need to support projects aimed at improving social infrastructure, so every year the Group provides financial services to companies whose operations have a direct or indirect impact on the healthcare system.

VTB Bank is a key financial partner of MD Medical Group. In 2020, the Bank helped launch hospitals in Samara, Tyumen, Ufa and Novosibirsk. In addition, in September 2020, thanks to the Bank's financing, the second stage of the Lapino Clinical Hospital (Lapino-2 surgical complex) was opened, which was one of the largest healthcare projects in the Russian Federation.

9
billion RUB

credit limit for FGUP Saint Petersburg Scientific and Research Institute of Vaccines and Serums and Enterprise for the Production of Bacterial Preparations

Examples of Funding for Healthcare Projects in 2020

- A credit limit of more than RUB 9 billion for the FGUP Saint Petersburg Scientific and Research Institute of Vaccines and Serums and Enterprise for the Production of Bacterial Preparations of the Federal Medical and Biological Agency, of which RUB 3 billion was allocated to finance the production of immunobiological preparations within the national calendar of preventive vaccinations and RUB 6 billion was for the modernisation and technological upgrade of the production site to meet international standards for the production of preparations;
- A RUB 1.7 billion credit and documentary limit for Elme Messer Rus LLC (ELME MESSER GAAS GC) for the construction of a plant for production of industrial, food and medical gases (liquefied oxygen, nitrogen, argon) in the Moglino Special Economic Zone in Pskov region;
- A line of credit for Meditsina JSC in the amount of RUB 5 billion for a period of nine years. Most of the funds (RUB 3.9 billion) will be used for the construction of the Nuclear Medicine Centre in Khimki. VTB Leasing and Meditsina JSC also signed a contract to supply equipment for magnetic resonance imaging and radiotherapy at the Nuclear Medicine Institute. The project includes funding the purchase of a positron emission tomograph and a complex for the production of radiopharmaceutical drugs. The transaction amounted to more than RUB 400 million. The equipment will be leased to the customer for a three-year term;
- VTB Bank (Azerbaijan) allocated funds for the construction of a new building of a dental clinic in Baku, as well as for the repair and equipment of the existing premises of the clinic.



Cooperation with companies in the housing construction sector

VTB Group actively supports the development of urban infrastructure in order to improve the affordability of housing and quality of life in the regions of operation.

The Group's residential loan portfolio increased by 18% over the year, exceeding RUB 2 trillion. According to the results of the reporting period, VTB occupies 19.3% of the market for housing loans in Russia.

trillion RUB

VTB Group residential loans portfolio

SAMPLE VTB BANK PROJECTS AIMED AT THE DEVELOPMENT OF HOUSING CONSTRUCTION

CUSTOMER	PROJECT DESCRIPTION	LINE OF CREDIT / CREDIT LIMIT, RUB BILLION
MR GROUP JSC	"Hide" Housing estate (Moscow)	12.9
Samolyet Group of Companies	"Ostafievo" Housing estate (Moscow)	10.4
PPF Real Estate Russia	"Homecity" Housing estate (Moscow)	9.7
Mangazeya Group of Companies	"You and I" Housing estate (Moscow)	7.0
Transgruz Group of Companies	"Akademichesky" Housing estate (Samara)	2.4
Region-invest Group of Companies	"French Quarters" Housing estate (Izhevsk)	1.6
KOMOSSTROY®	"City of Gunsmiths" Housing estate (Izhevsk)	1.5

Mortgage bonds of DOM.RF Mortgage Agent LLC

In December 2020, VTB Bank completed the largest transaction in the Russian market for the issue of mortgage bonds by DOM.RF Mortgage Agent LLC secured by a portfolio of mortgage loans issued by VTB Bank. The issue with the volume of RUB 191.5 billion is intended to become a benchmark in the Russian mortgage securitisation market due to its significant volume and is intended for a broad investor base.

Mortgage bonds are a key tool used to achieve the goals set by the national Housing and Urban Environment project and Presidential Decree No. 204 dated 7 May 2018 ("Concerning National Goals and Strategic Development Objectives of the Russian Federation for 2024"), which it sets out the goal of improving living conditions for at least five million families every year.

Agricultural development

VTB Group strives to make a significant contribution to the development of the agricultural sector by supporting producers of agricultural products. This creates new jobs in the sector and allows companies to increase their business volumes and produce high-quality, affordable and environmentally friendly products.

The volume of loans provided to food and agricultural companies increased by 3.7% YoY, reaching RUB 491.9 billion.

In 2020, VTB Group, in accordance with the Decree of the Government of the Russian Federation No. 512 dated 26 April 2019, began accepting applications and granting loans to agricultural producers under the new state subsidy programme of the Ministry of Agriculture of the Russian Federation. The interest rate is up to 5% per annum. A wide range of enterprises can participate in the programme, including organisations and individual entrepreneurs engaged in the further processing or sale of agricultural products. The new mechanism enhances the competitiveness of products of the Russian agricultural sector. The volume of the loan portfolio under this programme exceeded RUB 190 billion by the end of the year.

190

billion RUB

volume of the loan portfolio under the state aid programme of the Ministry of Agriculture of the Russian Federation

Share acquisition in Grain Terminal Complex Taman LLC

In 2020, Demetra Holding LLC (part of the VTB Group) acquired a 50% share in Taman Grain Terminal Holdings Limited, which owns 100% of Taman Grain Terminal Complex LLC. Grain Terminal Complex Taman LLC is the only specialised deepwater terminal handling grain for export at the port of Taman.

The further strategy of the shareholders of the grain complex envisages investments in the development and expansion of the terminal's throughput capacity, in particular by construction of a railway branch line allowing for the reception of grain cargo from rail transport.

SAMPLE VTB BANK PROJECTS AIMED AT AGRICULTURAL DEVELOPMENT

CUSTOMER	PROJECT DESCRIPTION	LINE OF CREDIT / CREDIT LIMIT, RUB BILLION
Ruspole Brands GC	Construction of Russia's largest canning plant for "Dyadya Vanya" brand products in Volzhsky	2.5
Construction of the Novy Cherepovets Greenhouse Complex LLC	Construction of a greenhouse complex for growing lettuce, cucumbers and tomatoes in the Volgoda region, acquisition of production equipment and raw materials	1.5
Agrosemcentr GC	Expansion of the modern "Rostok" greenhouse complex production area in Volgograd with a total area of 5.9 hectares and a capacity up to 180 million seedlings per year	0.4