

APPROVED
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REGULATION
on JSC VTB Bank
Dividend Policy

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1. Regulation on Dividend Policy

This Regulation on JSC VTB Bank Dividend Policy (hereinafter referred to as the “Regulation”) is based on the Civil Code of the Russian Federation, the Federal Law "On Joint-Stock Companies" and other regulations of the Russian Federation, the Code of Corporate Conduct and the Charter of VTB Bank (public joint-stock company) (hereinafter referred to as the “Bank”). The Regulation establishes basic principles of the Bank’s dividend policy, the decision-making procedure for dividend payment (announcement), rules of dividend calculation and payout. One of its aims is to provide information on the Bank's dividend policy to shareholders and other stakeholders.

Any matters not covered by this Regulation shall be regulated by the applicable legislation of the Russian Federation and the Bank's by-laws.

2. Terms and Definitions

2.1. Terms and definitions in this Regulation shall have the same meanings as in the Russian legislation on joint-stock companies and securities, unless otherwise specified herein.

2.2. The following terms and definitions shall be used for the purposes hereof:

- **“Dividend Policy”** means the Bank’s policy on using profit to determine and pay dividends;
- **"General Shareholders Meeting"** means the supreme governance body of the Bank;
- **"Announced Dividend"** means dividend to be paid out according to a resolution of the General Shareholders Meeting;
- **“Person Eligible to Receive Dividend”** means a person on the list of persons eligible to receive dividend;
- **“Resolution on Dividend Payout (Announcement)”** means a resolution of the General Shareholders Meeting to pay dividend to persons entitled thereto, which may be based on performance of the first quarter, six months, nine months or a reporting and/or the reporting year;
- **“Dividend Payout Period”** means the day when the dividend payment obligation is performed or a period of time to perform such obligation. Dividend payment obligation shall be performed on such day or at any time during such period.

3. General Provisions on Dividends

3.1. It is a right, and not an obligation, of the Bank to resolve to pay dividend on shares of all categories (types).

3.2. Holders of ordinary and preference shares distributed by the Bank are entitled to receive dividends.

3.3. The source of dividend payment is the Bank's post-tax profit (the Bank's net profit) for the relevant reporting period. The Bank's net profit is determined according to the Bank's accounting statements.

3.4. The Bank shall pay dividends subject to performance results, as well as mid-term and long-term development plans.

3.5. The Bank shall only pay announced dividends. If there is no resolution on dividend payment (announcement), the Bank may not pay out dividends, and its shareholders may not demand such payout.

3.6. Payment of announced dividends is an obligation of the Bank. The Bank shall be liable to persons eligible to receive dividends for any failure to perform such obligation in accordance with the applicable laws of the Russian Federation.

3.7. Dividends shall not be paid or accrued:

- on the Bank's outstanding shares owned by the Bank,
- in other instances as determined by the applicable laws of the Russian Federation.

3.8. The Bank's sole executive body shall ensure prompt payment of the full amount of announced dividends.

4. Principles of the Bank's Dividend Policy

4.1. The Bank's dividend policy is based on the following principles:

- 4.1.1. compliance with the applicable legislation of the Russian Federation and the Bank's Charter;
- 4.1.2. adherence to high standards of corporate governance;
- 4.1.3. interest of the Bank's management and shareholders in increasing profitability of the Bank;
- 4.1.4. optimal balance between short-term and long-term interests of the Bank and its shareholders;
- 4.1.5. increasing the Bank's investment appeal and capitalization;
- 4.1.6. maximum transparency of dividend amount determination, procedure and periods of dividend payment;
- 4.1.7. respect and strict observance of shareholders' rights in accordance with the applicable legislation of the Russian Federation and best practices of corporate governance.

4.2. Mid-term and long-term dividend policy shall be implemented in accordance with basic principles and approaches to creating the Bank's dividend policy contained in the Regulation.

4.3. The recommended dividend payment amount shall be determined by the Bank's Supervisory Council according to the Bank's performance.

In the process of determining the dividend amount by categories of the Bank's outstanding shares to be recommended to the General Shareholders Meeting, the Bank shall take into account the following factors:

- the Bank's net profit according to the Bank's accounting statements prepared in accordance with the applicable legislation of the Russian Federation;
- the Bank's net profit according to the Bank's consolidated financial statements prepared in accordance with international financial reporting standards;
- the Bank's need for capital for sustainable business development and implementation of strategy, compliance with current and anticipated future requirements of the legislation of the Russian Federation and the Bank of Russia, other regulators in operating countries, and recommendations of the Basel Committee on Banking Supervision;
- state and dynamics of economic and operating environment, other external and internal changes which affect or may have a material adverse impact on the Bank's performance;
- maintaining the balance of interests of the Bank and its shareholders, taking into account the need to increase the Bank's investment appeal;
- other factors which may have a material impact on the Bank's activity and decision on dividend amounts.

The recommended dividend payment amount shall be determined by the Supervisory Council based on consolidated financial performance of the Bank for the reporting year and usually constitutes at least 25% of the Bank's consolidated net profit according to international financial reporting standards.

5. Decision-Making Procedure for Dividend Payment

5.1. The resolution on dividend payment (announcement), including the resolution on dividend amount and payout mode, shall be made by the General Shareholders Meeting.

5.2. The Bank may resolve (announce) on dividend payment on outstanding shares based on performance in the first quarter, six months, nine months of the reporting year and/or the reporting year, unless otherwise required by the applicable legislation of the Russian Federation.

The resolution on dividend payment (announcement) for the first quarter, six months or nine months of the reporting year may be made within three months after the end of the relevant period.

5.3. The dividend amount may not exceed the amount recommended by the Bank's Supervisory Council.

5.4. The resolution on dividend payment shall determine:

- the amount of dividend for shares of each category (type),
- form of dividend payment,
- procedure of dividend payout in non-monetary form,
- cut-off date for determining the persons eligible to receive dividend.

5.5. The resolution on payment of dividends by categories of outstanding shares shall be made by the General Shareholders Meeting within a separate item on the General Shareholders Meeting agenda.

5.6. The resolution on payment of dividends on outstanding shares based on performance in the reporting year shall be made by the annual General Shareholders Meeting.

6. Persons Eligible to Receive Dividend

6.1. The resolution on dividend payment (announcement) containing the cut-off date for determining the list of persons eligible to receive dividend shall only be made by the General Shareholders Meeting at the suggestion of the Bank's Supervisory Council.

6.2. The cut-off date for determining the persons eligible to receive dividend, specified in the resolution on dividend payment (announcement) may not occur earlier than 10 days before or later than 20 days after the date of such resolution on dividend payment (announcement).

6.3. Dividend shall be paid out to persons who held shares of relevant category (type) or persons who, in accordance with federal laws, exercised rights related to these shares at the close of business on the cut-off date for determining the persons eligible to receive dividend in accordance with the resolution of the General Shareholders Meeting.

6.4. To perform dividend payout, the registrar in charge of maintaining the Bank's shareholder register shall prepare the list of persons eligible to receive dividend on the date determined by the General Shareholders Meeting.

6.5. The Bank's shareholder shall promptly notify the Bank's register holder of any changes in their details required for dividend payout.

7. Period and Procedure of Dividend Payout

7.1. The Bank shall pay out the announced dividend in the amount and within the period determined by the resolution of the General Shareholders Meeting and the Bank's Charter.

7.2. The period of dividend payout to a nominee shareholder or a trustee who is a professional participant of the securities market, who is registered in the shareholder register, shall not exceed 10 business days. For other persons registered in the shareholder register, the period is 25 business days from the cut-off date for determining the list of persons eligible to receive dividend.

7.3. The Bank may perform its obligation to pay out dividend on any day within the dividend payout period.

7.4. The Bank shall not provide any preferences to any shareholders related to the time of payment of announced and accrued dividend.

7.5. The amount of accrued dividend paid to each shareholder shall be determined individually for each category of shares by multiplying the dividend per share by the number of shares owned by the shareholder.

7.6. Dividends shall be paid out in monetary form. Dividend payout shall be performed as a cashless payment by the Bank or on its behalf by the registrar in charge of maintaining the Bank's shareholder register.

7.7. Dividend payout in monetary form to individuals whose rights are registered in the company's shareholder register shall be performed by transferring funds to bank accounts according to details submitted to the company's registrar, or, in the absence of such information on bank accounts, by mail transfer of funds, and to other persons whose rights are registered in the company's shareholder register, by transfer of funds to their bank accounts.

7.8. Persons eligible to receive dividend, whose rights to shares are registered in the depository, shall receive dividend according to the procedure specified by the securities legislation of the Russian Federation.

7.9. If, due to any reason beyond the Bank's control, the dividend was not paid to shareholders (unclaimed dividend), the Bank shall pay out such dividend in accordance with the procedure specified by the applicable legislation of the Russian Federation. No interest shall be accrued on unclaimed dividend.

7.10. Any person who did not receive announced dividend due to the fact that the Bank, the registrar or the depository did not have accurate address or bank details required for dividend transfer or due to any other delay, may submit a demand to pay such dividend (unclaimed dividend) within three years from the date when the decision on dividend payment is made. After the expiry of such period, the announced unclaimed dividend shall be returned to the Bank's retained profit, and the obligation to pay such dividend shall be terminated. In accordance with the applicable legislation of the Russian Federation, the Bank shall not be liable for any losses caused by failure to pay dividend to shareholders who failed to promptly provide to the share register holder (depository or the Bank's registrar) their bank/ mailing details or information on their change, or failed to provide properly executed documents to apply preferential tax treatment in accordance with international treaties regulating tax issues, the tax legislation of the Russian Federation, or other regulations on taxes and duties which determine the taxation procedure for dividend paid.

7.11. Upon occurrence of any events specified in the legislation of the Russian Federation, which prevent the Bank from paying out dividend on shares, the Bank shall suspend dividend payment. Suspension of dividend payment in such cases shall not deprive shareholders of their right to receive announced dividend after the events preventing such dividend payout are no longer continuing. After the termination of such events, the Bank shall pay announced dividend to shareholders.

7.12. In instances specified by the tax legislation of the Russian Federation, the Bank shall act as a tax agent and make calculations, withholding and transfer dividend-related tax amounts to the budget in accordance with the Tax Code of the Russian Federation, subject to international double taxation

avoidance treaties between the Russian Federation and countries of tax residence of the Bank's shareholders. Dividends shall be transferred to shareholders after deduction of withheld taxes.

7.13. The Bank's executive bodies shall be in charge of full and prompt payout of announced dividends.

7.14. The Bank's obligation to pay out dividends shall be deemed performed on the date of acceptance of transferred funds by the federal postal service or on the date of receipt of funds by a credit institution with which the person eligible to receive dividend has an account, or, if a credit institution is eligible to receive dividend, on the date of receipt of funds on the account of credit institution.

7.15. If the Bank fails to perform its obligations, it will be liable in accordance with the applicable legislation of the Russian Federation, and shareholders may seek enforcement of obligations in court.

8. Dividend Payment Restrictions

8.1. In making a resolution on dividend payment (announcement) and performing dividend payout, the Bank shall observe restrictions set by the applicable legislations of the Russian Federation.

8.2. The Bank may not pay out announced dividend on shares:

- if on the payment day the Bank satisfies criteria of insolvency (bankruptcy) in accordance with the laws of the Russian Federation on insolvency (bankruptcy) or if it will satisfy such criteria as a result of dividend payment;
- if on the payment day the value of the Bank's net assets is less than its charter capital, reserve fund and the excess amount over the nominal value of realizable value of outstanding preference shares determined by the Bank's Charter, or if it will become less than such amount as a result of dividend payment;
- in other instances as specified by federal laws.

After the termination of circumstances described herein the Bank shall pay announced dividend to shareholders.

9. Communication of the Bank's Dividend Policy to Shareholders

9.1. The Bank shall communicate its dividend policy to shareholders in accordance with the procedure required by the applicable legislation and shall publish it on the Bank's website at: www.vtb.ru.

Information published on the Bank's website shall include this Regulation and any amendments hereto.

9.2. The Bank shall notify shareholders of dividend amount, period payment mode and procedure in the manner required by the applicable legislation, including publication of information on the Bank's website at: www.vtb.ru