



Annual report 2019



Annual Report
2019

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Message from the Chairman of the Board of Directors



The penultimate year of the decade has confirmed the recent global trend. Russia and the whole world are exploring life in a new economic and geopolitical reality, where the only constant is unpredictability. Banca Intesa has successfully settled down in this challenging environment and continues developing both independently as a Russian bank and as part of the largest Italian banking group Intesa Sanpaolo, which is present in 37 countries.

The restoration of the Russian economy growth, combined with macroeconomic stability and a record decline in inflation, created favorable conditions for the development of the Bank's business which takes advantage of the current market situation while creating a reserve for the future.

A case in point is the agreement signed with the Far East Development Corporation at the Eastern Economic Forum in September 2019, which enables Banca Intesa to participate in financing of some projects in the Far East Federal District. Successful interaction with the Federal Corporation for the Development of Small and Medium Enterprises (SME Corporation) has also made a positive contribution as it facilitated mutually beneficial cooperation in various fields.

The world events have also directly affected the Bank's business. This includes the expansion of non-market competition methods, like sanctions and other restrictions, rate wars and other forms of political pressure. This, of course, had a negative impact on the business. However, as you know, when one door closes — another opens.

Inspired by this idea, Banca Intesa and Intesa Sanpaolo Group searched for new dimensions on the promising Russian market and were successful. This factor, combined with the great potential of Intesa Sanpaolo Group in international projects and its foreign network, enabled Banca Intesa to participate in international financing of a number of the largest Russian corporate clients, such as Gazprom PJSC and Russian Railways OJSC.

In this regard, I would like to highlight the significant expansion of interaction within the Group in 2019, the synergy effect of the coordinated work of its various structures, including Banca Intesa. The establishment of even closer direct, including personal, contacts between the respective divisions of Banca Intesa and colleagues from the parent company played a positive role through the visits of representative delegations, organization of business trips, and in-depth and substantive exchange of experience.

One of priority areas was the development of the corporate segment. The total volume of corporate business, including documentary transactions and lending commitments under the loan agreements concluded at the end of the year, has increased by 62 % in 2019 to reach approximately RUB 52 billion.

The client base has been expanded, in the regions ties with regular customers have been strengthened. The Bank was actively engaged in syndicated lending, including large transactions with Siberian Anthracite JSC, Uralkali PJSC, Ural Mining and Metallurgical Company OJSC, Alrosa PJSC. The year 2019 stands out for the significant expansion of the Bank's presence in operations with transnational corporations.

Important focus areas include trade finance and documentary business. In 2019, Banca Intesa serviced many export-import operations, expanded partnerships with counterparty banks around the world, which helped to improve the quality of our services. We offer competitive prices, a flexible approach, skillful structuring of complex transactions, knowledge of the market and consulting support, as well as secure and easy access to documentary instruments within banks and overseas offices of Intesa Sanpaolo Group.

Historically, small and medium-sized businesses have been and remains one of the Bank's priorities. In 2019, lending was increased in this segment of the Russian economy, including guarantees provided by SME Corporation and the surety of regional guarantee funds. The amount of guarantees issued by the SME Corporation for loans granted by Banca Intesa under the Guarantee Mechanism Program has grown by 6.8 times since 2018.

In the retail business, much attention was paid to improving the product line, which also gave positive results. However, the emphasis was placed on Private clients, with new dedicated zones opened to serve these clients in Moscow and St. Petersburg and staffing increased. As a result, the deposit portfolio in this segment has increased by 116 % over the year.

As part of its liquidity management, the Bank conducted efficient transactions with government securities (federal loan bond) and Bank of Russia's coupon bonds in the established securities market.

Much attention was paid to leasing, where we operated through our 100 % subsidiary Intesa Leasing JSC. Transactions covered 14 regions, with Yekaterinburg, Krasnodar, Tomsk and Rostov-on-Don being especially active. The leasing portfolio was centered around transactions with vehicles and special equipment.

Much of Banca Intesa's activity, as in previous years, was focused on the support of numerous public business events to promote trade and economic cooperation with Russia in the current challenging international context. The central event was the XII Eurasian Economic Forum, which took place on October 24-25 in Verona (Italy). The forum brought together, first of all, the leaders of the largest companies from Italy and Russia, as well as from dozens of other countries, on a unique discussion platform to develop business ties. In addition, in 2019, the bilateral and multilateral business seminars for entrepreneurs were held in the largest cities of Italy, as well as in Austria, Belgium and Switzerland. They also took place in Russia: in Krasnodar, Yekaterinburg, Barnaul and Nizhny Novgorod.

Banca Intesa took a special place in the St. Petersburg International Economic Forum. The Bank organized two Russian-Italian thematic sessions: on bilateral cooperation of large Russian and Italian companies and their interaction in the field of innovative small and medium businesses.

The beginning of 2020 sets more complex tasks for us, opens up new opportunities. I am sure that Banca Intesa and its unique team will not only preserve but also expand the trust of customers, who are always in the center of its attention.

Antonio Fallico,
Chairman of the Board of Directors
Banca Intesa



Banca Intesa
in 2019



Banca Intesa in 2019

GENERAL INFORMATION ABOUT THE BANK

Banca Intesa Joint-Stock Company is a subsidiary bank of the Italian Banking Group Intesa Sanpaolo.

The Bank provides banking services to enterprises and to individuals under the General Banking License of the Central Bank of the Russian Federation No. 2216 dated May 6, 2015.

The history of Banca Intesa dates back to 1992, when the European Bank for Reconstruction and Development set up the KMB Bank. It was one of the first Russian banks to focus on financing for small and medium enterprises, which was just emerging in Russia in the middle of the nineties.

At the beginning of 2005, the Italian Banking Group Intesa Sanpaolo, reinforcing its Russian market presence, acquired a controlling stake in the KMB Bank. As a result of this deal, Intesa Sanpaolo became one of the major foreign investors in the Russian banking sector.

The Bank acquired the corporate name Banca Intesa in January 2010 following the incorporation of the Group's subsidiary bank of the same name, established by Intesa Sanpaolo in 2003 and focused on financing large Russian companies and Italian firms working in the Russian market. Banca Intesa was the first Russian bank to be wholly owned by an Italian bank.

After the merger, which was officially completed on January 11, 2010, the Bank progressed to a new stage of evolution. The reorganized Bank upgraded its business strategy as a full-service bank and started operating on the basis of its rich experience in the corporate and SME business sector.



SHAREHOLDERS

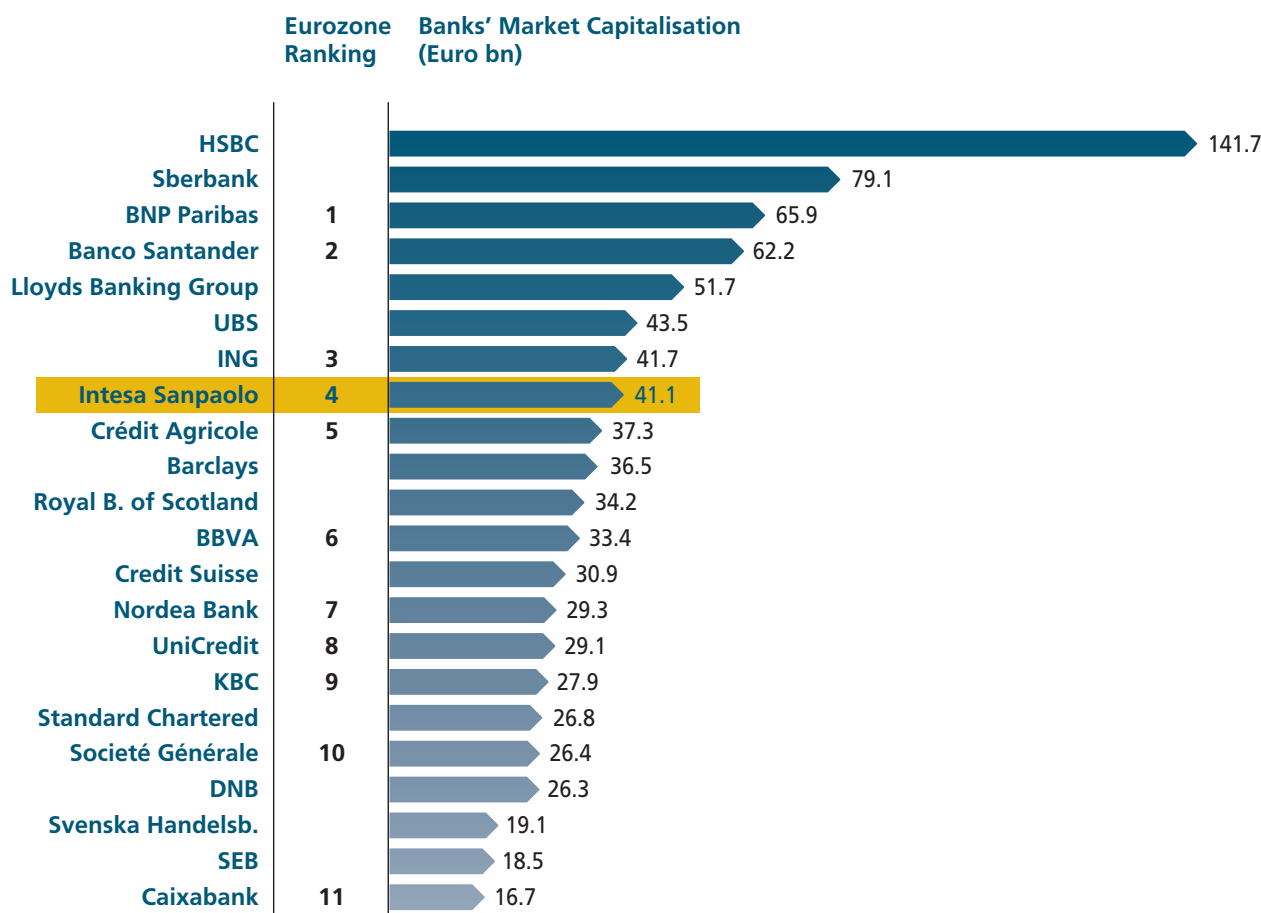
100 % of the shares of Banca Intesa are owned by the Italian Banking Group Intesa Sanpaolo and are distributed as follows:

- ◆ 53.02 % of the shares are owned by Intesa Sanpaolo Holding International S.A.
- ◆ 46.98 % of the shares are owned by Intesa Sanpaolo S.p.A.



INTESA SANPAOLO

Intesa Sanpaolo is among the top banking groups in the euro area and a leader in Italy in all business areas. With a market capitalization of EUR 41.1 billion as of December 31, 2019, the Group ranks 4th in the euro area.



As of December 31, 2019, the total assets of Intesa Sanpaolo Group amounted to EUR 816.0 billion. The volume of the granted loans is EUR 395.2 billion, while direct deposits from the banking business amounted to EUR 425.5 billion, and direct deposits from the insurance business and the technical reserves amounted to EUR 165.8 billion. The Group's equity is EUR 55.9 billion (including EUR 4.1 billion net income for 2019).

Intesa Sanpaolo has some 3,752 branches in Italy serving 11.8 million customers. With such a unique, well-developed network, the Bank serves 12 % of the market in 17 out of 20 regions in Italy.

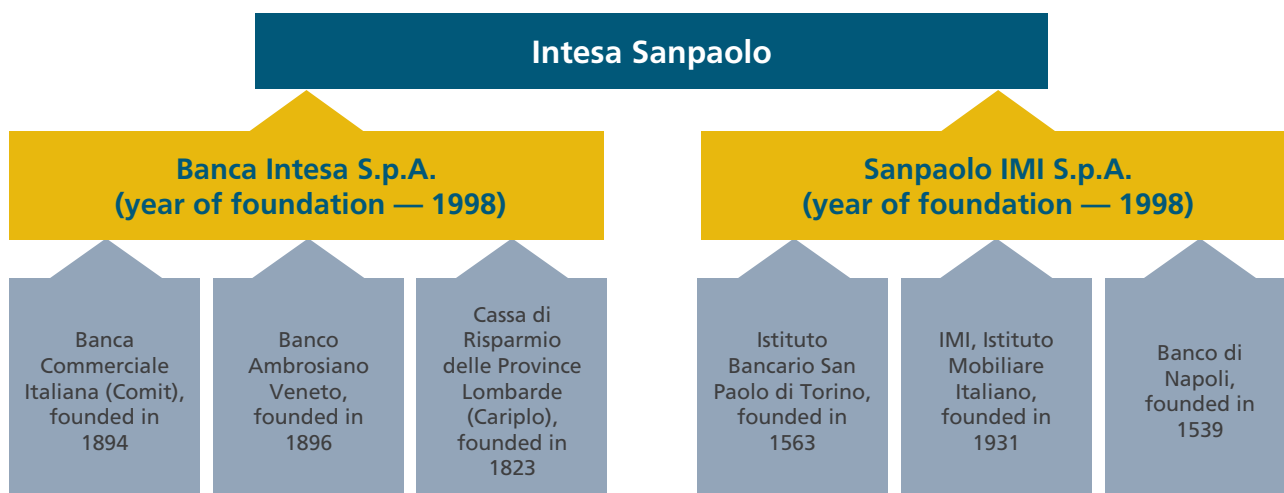
Foreign subsidiaries rendering retail and commercial banking services operate across 12 countries in Central and Eastern Europe, the Middle East, and Northern Africa, and serve 7.2 million customers through 1,047 branches and offices. Subsidiary banks, branches, and representative offices focusing on corporate customers operate in 25 countries around the world.

In 2019, Intesa Sanpaolo continued implementing the Group Development Plan effective through 2021. This business plan confirms that Intesa Sanpaolo is a bank geared towards real economy that creates value for all stakeholders. The Bank is expected to make a significant contribution of over EUR 300 billion to the economy between 2018 and 2021.

HISTORY OF INTESA SANPAOLO GROUP

The history of Intesa Sanpaolo has evolved over almost five centuries and is linked to the world's oldest banking institutions – Istituto Bancario San Paolo di Torino (1563) and Banco di Napoli (1539).

The recent history of Intesa Sanpaolo began on January 1, 2007 as a result of the merger of two leading Italian banks – Banca Intesa S.p.A. and Sanpaolo IMI S.p.A., which played a key role in the process of consolidation of the Italian banking system in the late 1990s.



INTESA SANPAOLO AND RUSSIA

On July 12, 1973, the State Bank of the USSR authorized Banca Commerciale Italiana to open a permanent Representative Office in Moscow, which was the first Representative Office of a foreign bank in the Soviet Union. This date marks the official start of the Group's presence in Russia.

De facto banks under Intesa Sanpaolo Group started cooperation with Russia long before 1973. Back in 1922, the Banca Commerciale Italiana branch in Genoa served as the official bank of the Soviet delegation to the Genoa Conference. The 1920-1930s brought further development in relations with the USSR and became especially intensive in the post-war period, especially in the 1960-1970s. This was connected to Italy's involvement in the largest industrial projects in the USSR, the most significant of which was the financing of a car manufacturing plant in Togliatti and a tube-rolling plant in Volzhsk.

Another important step in the Bank's work in Russia was the establishment of the International Moscow Bank in 1989, which was to become the first commercial bank of Soviet and western shareholders, including Banca Commerciale Italiana. The Italian bank already had similar experience in Hungary and was invited by the State Bank of the USSR to host the new project. During this period, Banca Commerciale Italiana was already one of the top five foreign banks in terms of its project loan portfolio in the Soviet Union.

So far this century, Intesa Sanpaolo Group has been involved in financing other interesting large-scale projects, including the Blue Stream and Nord Stream pipelines.

In 2016, the Intesa Sanpaolo Group took part in the privatization of a 19.5% stake in PJSC Rosneft Oil Company, the leader of the Russian oil sector, which became the largest foreign investment in Russia in the past few years.

Over the course of 46 years, Intesa Sanpaolo has become a major player in the large-scale economic and financial cooperation and extensive cultural exchange programs between Russia and Italy.

BOARD OF DIRECTORS' REPORT ON THE RESULTS OF THE BANK'S DEVELOPMENT IN PRIORITY BUSINESS AREAS

The Board of Directors of Banca Intesa acts for the benefit of the Bank and its shareholders, and performs general management of the Bank in accordance with the laws of the Russian Federation, the Charter and the Regulation of the Board of Directors of Banca Intesa.

The key responsibilities of the Board of Directors are as follows: participating in the development strategy elaboration and adoption; approving the budget for the current year; forming and supervising the Bank's executive bodies; organizing the internal control and risk management system efficiency assessment; establishing the Bank's personnel policy, including remuneration of executive and management bodies; making decisions on optimization of the Bank's organizational structure in order to ensure the efficiency of the Bank's subdivisions.

2019 saw 8 meetings, with 4 of them in presentia. The Board of Directors considered the following key issues:

- ◆ personnel issues:
 - election of the Chairman and Deputy Chairman of the Bank's Board of Directors;
 - election of the Chairman of the Bank's Management Board;
 - election of new members of the Bank's Audit Committee;
 - establishment of the Remuneration Committee and approval of the Regulation on the Bank's Remuneration Committee;
 - approval of the new version of the Compensation and Remuneration Policy;
 - determination of the amount Bonus Fund for the year and the amount of the bonus pay for the members of the Management Board, persons accepting risks, and controllers;
 - approval of changes in the Bank's organizational structure;
 - approval of the concession terms for loan products granted to employees of the Bank;
- ◆ risk management and internal control:
 - review of quarterly internal control reports in order to combat money laundering and terrorist financing (AML/CFT), review of compliance reports;
 - review of quarterly major risks reports, the Bank's capital adequacy ratio, approval of internal risk management regulations;
 - approval of the new version of the Bank's Credit Policy and the Regulation on the Financial Risk Committee;
 - review of quarterly Internal Audit Department reports, approval of the plan for 2019, review of quarterly reports of the controller of the Bank's stock market trading;
- ◆ review of the Bank's quarterly financial statements;
- ◆ consideration of information security issues;
- ◆ review of internal committee reports and decisions made.

In order to improve the efficiency of the Bank's Board of Directors and refine the Bank's corporate governance practices, a self-assessment of the Board of Directors' performance was conducted in 2019 in accordance with the recommendations of the Bank of Russia.

FINANCIAL PERFORMANCE

In accordance with the International Financial Reporting Standards (IFRS) as of December 31, 2019:



ANALYSIS OF FINANCIAL PERFORMANCE FOR 2019

The net interest income, net of provisions, has decreased by RUB 127 million since 2018, mainly due to the interest margin adjustment on ruble transactions, taking into account the general reduction of the Bank of Russia key interest rate by 150 basis points during 2019. It should be noted that, in general, the market responds more promptly by reducing rates on funds placement than on raised deposits with the relevant trend of the key interest rate; the opposite trend is observed when it increases, which causes the effect of narrowing of the interest margin, especially with the corporate portfolio outstripping growth rates in comparison to the higher-margin sectors of small and medium-sized enterprises (SME) and retail.

Moreover, in Q4 2019, a significant volume of foreign currency transactions has been implemented in the corporate business sector, which has had a limited impact on the net interest income of the Bank.

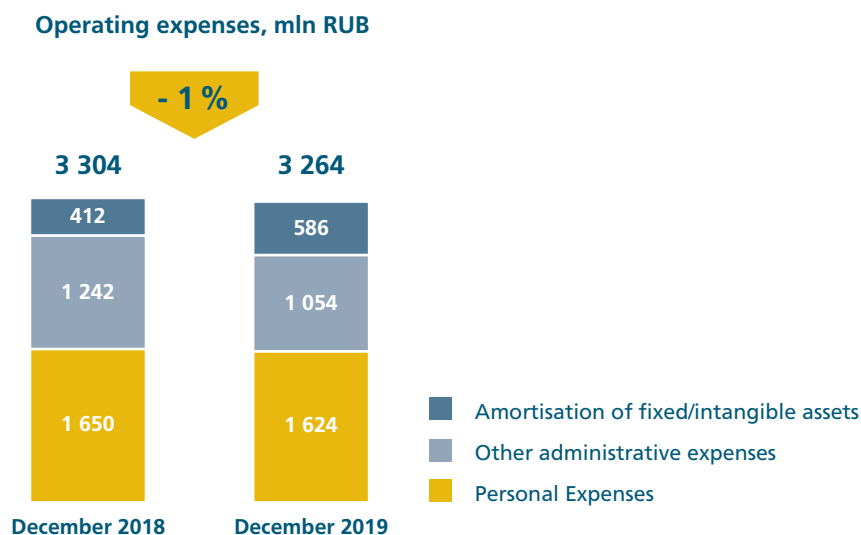
The implementation of the new IFRS standard 16 Leases from January 2019 has caused an additional negative impact on the dynamics of the net interest income, which, as a result, manifested itself in the interest expense of the discounted value of the lease payments under the effective lease agreements worth RUB 56 million.

In comparison to 2018, the net fee and commission income has decreased, mainly due to the effect of the high base of 2018, as the Bank had earned a commission for arranging a transaction to finance a major Russian company.

In 2019, the favorable conditions prevailing in the foreign exchange market enabled an increase of RUB 180 million in the net income from the trading transactions in foreign currency.

In comparison to 2018, implementation of measures to optimize operating costs, including a significant reduction in the maintenance costs for the Bank's regional network and the Bank's head office in Moscow (partially as a result of the implementation of the new IFRS standard 16 Lease), has reduced the Bank's operating costs by RUB 40 million in 2019.

The Bank's conservative approach to the quality of generated assets, continuous work during previous years to improve underwriting procedures for all business sectors in order to maintain the quality of the loan portfolio, as well as the positive impact of the country's economic growth, enabled the Bank to reduce significantly the costs of building up provisions for impairment of loan portfolio and net investments into financial leasing in both absolute and relative terms.



The costs of building up provisions for impairment of loan portfolio and net investments into financial leasing, other provisions for loan losses have reduced more than double in comparison to 2018 while maintaining the coverage ratio of the total loan portfolio at 8.3 %, and the non-performing assets portfolio at 68 %.

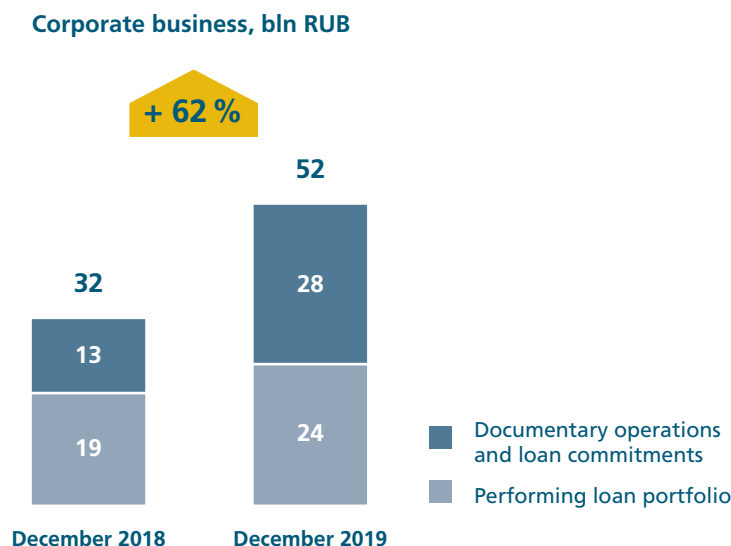
In 2019, the Bank's net profit before tax under IFRS was RUB 430 million.

LOAN PORTFOLIO ANALYSIS

In comparison to 2018, the total loan portfolio, including leasing transactions, has increased by RUB 5.8 billion at the end of 2019 and has amounted to RUB 46 billion (+ 14 %), the increase of the performing loan portfolio has amounted to RUB 6.4 billion (+ 18 %).

In comparison to 2018, continued growth in the sector of corporate clients lending in 2019 – which resulted from the conclusion of bilateral agreements with customers and the Bank's participation in club-style transactions and syndications, – has had the main impact on the dynamics of the performing loan portfolio in 2019; which enabled the overall volume of the corporate business loan portfolio to increase by 29 %, reaching RUB 24 billion. The vigorous growth of the corporate business over the past two years has enabled the increase in the volume of the loan portfolio in this sector by RUB 12 billion, which, in fact, means a double increase in this sector, as compared to the data at the end of 2017.

The total volume of corporate business, including documentary transactions and lending commitments under the loan agreements concluded at the end of the year, has increased by 62 % in 2019 to reach approximately RUB 52 billion.



The state support for small and medium-sized enterprises, which has been developing significantly in the recent years, combined with the Bank's active participation in special state programs for lending to organizations in this sector, have had a significant impact on the SMEs development in 2019 and has enabled the increase in volume of the performing loan portfolio by 9%.

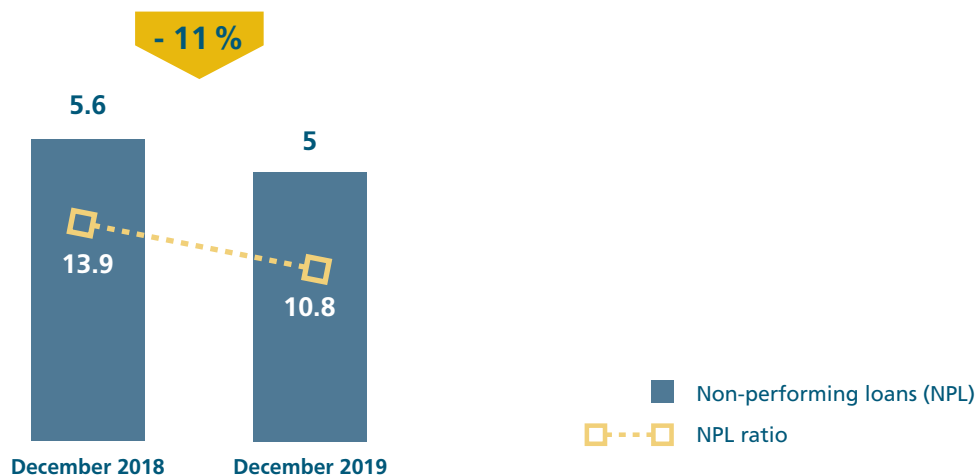
Performing loan portfolio, bln RUB



During 2019, the Bank continued its engagement in the activities with the current portfolio, including those relating to the support for companies experiencing certain difficulties. A number of successful restructurings – aimed, inter alia, at improving the Bank's position in terms of the transaction structure and debt security – have been undertaken.

In comparison to 2018, the amount of non-performing loans in the Bank's loan portfolio has decreased by 11%, which resulted from a general improvement in the quality of the incoming loan portfolio and enhanced actions in working with non-performing loans.

Non-performing loans, bln RUB



DEPOSIT PORTFOLIO ANALYSIS

At the end of 2019, the Bank's deposit portfolio size increased by more than RUB 5 billion to reach the amount of more than RUB 35 billion. The growth of the deposit portfolio size in the context of lower interest rates on raised funds was largely due to the development of business with the Bank's Private and corporate clients.

CAPITAL ADEQUACY

At the end of 2019, the capital adequacy ratio in accordance with the provisions of the Basel Committee was 14.7 %, and the total capital adequacy ratio was 18.1 %. The principles of the European banking regulator, effective since 2015, were applied to calculate the capital adequacy ratio.

The capital adequacy ratio significantly exceeds the minimum level established by the Basel Committee (8 %).

The capital adequacy ratio under the Russian Accounting Standards (RAS) amounted to 16 %, the core and total capital adequacy ratios — 11.9 %, which significantly exceeds the minimum levels set by the Bank of Russia (8 %, 4.5 % and 6 % respectively).

As of January 1, 2020, the financial leverage ratio (Basel III) amounted to 11.3 %.

RATINGS

Pursuant to the results of 2019, based on the information of rating agencies, Banca Intesa continues to maintain strong positions on the Russian financial market and confirms its high reliability.

Banca Intesa has been assigned the following ratings:

FITCH

"BBB–"	long-term foreign and local currency IDRs
"F3"	short-term foreign and local currency IDRs
"2"	support rating
"b+"	viability rating
"BBB–"	senior debt long-term rating

EXPERT RA

"ruA"	Expert RA Positive Outlook
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According to the results of research of the Russian market of SME lending of Expert RA for 2019 Banca Intesa holds:

12th place	in Russia in terms of the volume of the SME loan portfolio (as of January 1, 2020)
19th place	in Russia in terms of the SME loans issued in 2019 (as of January 1, 2020)

Banca Intesa takes **14th place** in Russia among the most reliable banks according to Forbes' Rating of the most reliable banks in 2020.

As of December 1, 2019, Banca Intesa is in the list of credit institutions whose deposits are allowed to invest pension savings, savings for military personnel housing and temporarily free funds of the state corporations Deposit Insurance Agency, Rostec, Rosatom, Roscosmos and the State Company Russian Highways.

BANK'S POSITION IN THE STOCK MARKET

Banca Intesa has the following permanent licenses as a professional participant in the securities market to perform the following activities:

- ◆ License for Dealer Activities No. 177-10801-010000 dated December 04, 2007;
- ◆ License for Brokerage No. 177-10794-100000 dated December 04, 2007;
- ◆ License for Custody Operations No. 177-12028-000100 dated February 10, 2009.



In 2019, within the framework of liquidity management, the Bank carried out transactions with government securities (OFZ) and coupon bonds issued by the Bank of Russia on the organized securities market. The securities portfolio by the end of 2019 amounted to RUB 4.1 billion.

In October 2019, the Bank repaid 001P - 01R exchange-traded bonds worth RUB 3 billion. In 2020, the Bank plans to continue the programs of issue of exchange-traded bonds.



Business development
in 2019

Business development in 2019

SIGNIFICANT TRANSACTIONS IN 2019



Participation in a syndicated loan for a total amount of EUR 720 million and USD 120 million for 5 years for Siberian Anthracite JSC. Banca Intesa and VUB Banka acted as lead underwriters with total participation of EUR 90 million. The funds are channeled current debt refinancing and general corporate purposes.



As part of the development of relations with the Ural Mining and Metallurgical Company Group, Banca Intesa took part in a syndicated loan for Ural Mining and Metallurgical Company in the amount of EUR 200 million with the Bank's share of EUR 10 million.

The borrowed funds were used to refinance current corporate debt and replenish the working capital of UMMC Group.



Banca Intesa has signed a loan facility agreement with Polyus Krasnoyarsk JSC, a member of the Polyus Group (the leading gold producer in Russia).

The loan is USD 40 million and is due in 5 years. The funds are channeled to general corporate purposes.



Conclusion of an agreement on opening a multi-currency multi-product loan facility for working capital financing to Ariant, the largest winegrowing and vine-making holding in Russia.

The loan facility amounts to RUB 500 million, and is due in 24 months. The funds are intended to finance the current activities of the group of companies.



In the frames of starting cooperation with ALROSA PJSC, Banca Intesa acted as an agent, authorized leading organizer and lender for the syndicated loan. The total loan amount is USD 50 million, the stake of Banca Intesa is USD 25 million. The loan is provided for 2 years and intended for corporate purposes.

SERVICES FOR CORPORATE CUSTOMERS

In 2019, corporate block demonstrated good dynamics with portfolio growth reaching the record RUB 19.6 billion, including the trade finance portfolio, which has increased by 56 % since 2018, a record for the last 5 years. The portfolio growth made possible by expanding the customer base, strengthening relations with existing customers of the Bank and active participation in new syndicated loans.

In 2019, Banca Intesa developed dedicated Relationship Offices for Domestic, Multinational and Italian clients, deploying the most appropriate professional resources to well-targeted portfolios of clients.

The increasing focus on products, and the aim to provide corporate clients with concrete value-added in response to tightening market conditions crystallized in the creation of a dedicated Business Unit, named Corporate Business Solutions, charged with the mission to originate, develop and implement innovative financial and advisory banking products.

Corporate Business Units encompasses the entire spectrum of banking expertise of Banca Intesa, thereby comprising digital payments and services (managed by a newly-created Desk, Digital Office); trade finance and structured export finance (supervised by Trade Finance Office); and two entirely new entities, Corporate Banking Products Office and Structured Products Office.

Banca Intesa's attention to products shall translate into a rounder commercial coverage, whereby balance sheet and transaction banking support is complemented by structured propositions that allow all corporate clients to leverage Banca Intesa expertise in far-fetched transactions as a reliable one-stop-shop business partner.

COOPERATION WITH RUSSIAN CORPORATE CUSTOMERS

The corporate unit continues to expand its presence in all key regions of the country. In 2019, the bank achieved stable dynamics of commercial indicators in the regional network. The total corporate portfolio in regions increased by 24 % and amounted to RUB 14 billion. In 2019, the Ural and Volga regions showed a steady growth in the corporate sector.

In 2019, Banca Intesa was active in multiple large transactions on the Russian market of syndicated financing. In particular, the Bank was one of the participants in the syndicated financing of the largest Russian corporations, such as Sibanthracite JSC, Uralkali PJSC, and the Ural Mining and Metallurgical Company OJSC. Banca Intesa also acted as the organizer of the syndicated loan for Alrosa PJSC.

Using local expertise, experience and the wide network of foreign business units of the parent company Intesa Sanpaolo, the Bank confirms its role as an active agent of international financing for largest Russian corporate customers from various industries. Banca Intesa continues close relationships with metallurgic, mining, chemical, agro industrial companies and mineral fertilizer producers.

In 2019, the corporate unit demonstrated an increase in deposits and current account balances by 7 % as compared to 2018, which achieved RUB 11 billion. Credit ratings assigned by Expert RA agency, 'ruA' Positive Outlook and Fitch 'BBB-', confirm the reliability and sustainability of the Bank and justify the trust and loyalty of corporate customers.

Very important was the considerable progress in developing new banking products, with particular reference to a smoother corporate client experience with Banca Intesa and greater coverage of trade finance and trade-related spaces.

COOPERATION WITH TRANSNATIONAL CORPORATES AND ITALIAN COMPANIES

In 2019, International accounts (i.e. commercial segment comprising Multinational Corporates and corporate clients managed by Italian Desk) once again made decisive contributions to Banca Intesa performance. The result of this work was a significant expansion of the Bank's activity in this segment. In 2019, the profitability from the operations with multinational corporates and Italian companies grew by more than 50 %. Bank continued supporting the operations of world-leading entities in the fields of food & beverage, infrastructures, automotive, energy, petrochemicals, retail and luxury segment. Assets in the segment of the multinational corporates and Italian companies grew by almost 5 times.

Italian Desk, the dedicated corporate coverage desk for companies owned or managed by Italian entrepreneurs active in the Russian Federation, consolidated its market share, while consistently broadening the portfolio of services to high-value offerings that included Advisory and Specialized Lending.

In 2019, Banca Intesa presided a portfolio of more than 300 corporations working in the sphere of Russian-Italian cooperation, lending active financial support to companies in the textile, retail, pharma, industrials, energy and infrastructure industries. Amongst the largest transactions, Banca Intesa acted as sole advisor to one of Europe's largest energy companies for the valuation of real assets located in Siberia; also during the year, Banca Intesa acted as a derivatives advisor to one of Italy's largest oilfield services company.

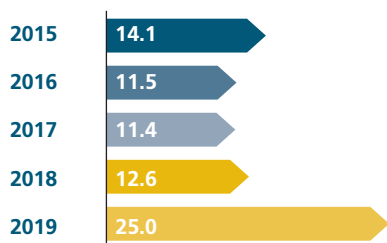
TRADE FINANCE AND DOCUMENTARY TRANSACTIONS

The trade finance and documentary transactions are the Bank's priority.

In 2019, Banca Intesa continued to service export and import transactions and contracts of the Bank's clients developing trade and structured finance operations, which can meet the companies' needs.

At the end of 2019, the trade finance portfolio amounted to RUB 25 billion showing an almost double growth since 2018 (by RUB 12.4 billion).

Trade finance portfolio, bln RUB



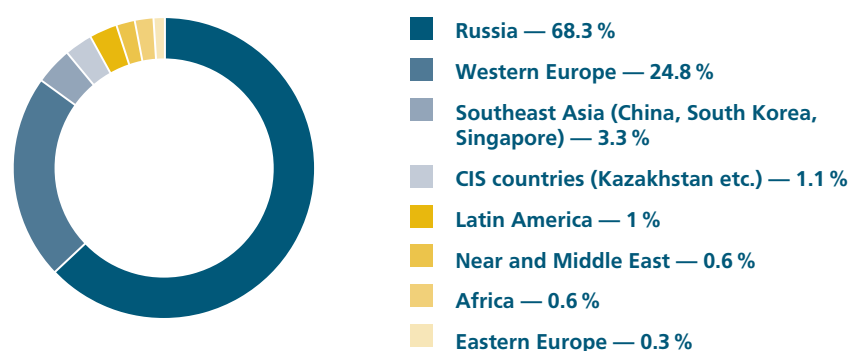
The Bank offers its clients a wide range of bank instruments, issuing all types of documentary letters of credit, bank guarantees and stand-by letters of credit.

The largest providers of goods and services are among the beneficiaries accepting the Bank's documentary instruments, including:

- ◆ PUNTO FA, S.L.,
- ◆ Snecma (Safran Group),
- ◆ Bondioli & Pavesi S.p.A.,
- ◆ IVECO RUSSIA LLC / Iveco Spa,
- ◆ BAKI METROPOLITENI,
- ◆ MGC MOSER-GLASER AG,
- ◆ RED WIND B.V.,
- ◆ WEG COLOMBIA S.A.S.,
- ◆ SK NETWORKS CO.,
- ◆ LTD BENETTON RUSSIA,
- ◆ SIEMENS S.A.,
- ◆ RIZZANI DE ECCHER S.P.A.,
- ◆ DUFERCO S.A.,
- ◆ Philip Morris / Philip Morris Sales and Marketing LLC,
- ◆ Cummins Ltd,
- ◆ Severstal PJSC,
- ◆ State Corporation ROSENERGOATOM,
- ◆ Russian Railways OJSC,
- ◆ KAMAZ PTC,
- ◆ TC EvrazHolding LLC,
- ◆ Russian Post FGUP,
- ◆ Ural Mining and Metallurgical Company OJSC,
- ◆ Northern Capital Gateway LLC,
- ◆ Teva Ltd., etc.

The portfolio of Banca Intesa comprises transactions of trade financing, provided to the beneficiaries both in the country of Bank's residence (the Russian Federation) and worldwide.

Diversification of the Trade Finance portfolio by countries of Beneficiaries presence



Within the framework of trade finance transactions, the Bank cooperates with first-class foreign banks from countries in Europe and Asia, including:

- ◆ Banks of Intesa Sanpaolo Group (in 37 countries of the world),
- ◆ Deutsche bank AG (Germany),
- ◆ UniCredit Bank AG (Germany),
- ◆ Commerzbank AG (Germany),
- ◆ La Caixa (Spain),
- ◆ Banco de Sabadell (Spain),
- ◆ UBS Switzerland AG (Switzerland),
- ◆ Raiffeisen Bank International AG (Austria),
- ◆ Bank of Baroda (India),
- ◆ Bank ICBC (China).

In 2019, the Bank supported, strengthened and expanded partnerships with correspondent banks worldwide, which significantly increased the quality of trade finance transactions.

Many clients of the Bank have highly appreciated the price competitiveness and safe and fast work of documentary services of the banks of the Intesa Sanpaolo Group, represented in almost 37 countries around the world. The advantages of Banca Intesa in terms of these types of activities are its flexible approach, experience in structuring complex transactions, an understanding of the market specifics and professional consulting support.

Among the clients using the trade finance instruments of Banca Intesa are major manufacturers of agricultural machinery, heavy engineering enterprises, suppliers of various types of equipment, trading companies, companies rendering distribution and logistics services.

The Bank is one of the authorized bank guarantors for the issue of bank guarantees in favor of the Federal Customs Service of Russia (FCS of Russia). The aggregated limit set for the Bank for issuance of customs guarantees is RUB 2.64 billion. The maximum amount of a single guarantee is RUB 660 million. In 2019, the Bank issued guarantees in favor of the Customs authorities of the Russian Federation in the amount of RUB 1.3 billion. Since 2017, Banca Intesa issues bank guarantees in favor of the Federal Customs Service of Russia in electronic form.

Guarantees of Banca Intesa are also accepted by the Tax authorities of the Russian Federation, while the sum of all simultaneously valid guarantees in favor of the Federal Tax Service is RUB 2.64 billion, the maximum amount of one guarantee is RUB 660 million.

Banca Intesa issues guarantees in favor of the Federal Service for Alcohol Market Regulation, (Rosalkogolregulirovanie) whereas the amount of all the guarantees, which are effective simultaneously, may reach RUB 4.4 billion, and the maximum amount of a single guarantee in favor of Rosalkogolregulirovanie is determined to amount to RUB 845 million.

In the reporting period, the Bank continued its cooperation with the Russian State Institutions, the products of which allow the Bank to offer its clients competitive conditions of financing their export activities.

SMALL AND MEDIUM ENTERPRISES

Banca Intesa has many years of experience of working with small and medium enterprises. The Bank offers entrepreneurs efficient financial instruments and new opportunities for development. The Bank’s high-quality service, individual approach to the needs of their customers and excellent reliability enables the Bank to keep its leading position among banks dealing with small and medium enterprises (SME) in Russia. Banca Intesa actively cooperates with the Federal Corporation for the Development of Small and Medium Enterprises (SME Corporation) within the state program for supporting small and medium enterprises in Russia.

In 2019 the Bank increased 6.3 fold lending to small and medium enterprises secured with guarantees of the SME Corporation. The amount of guarantees issued by the SME Corporation for loans granted by Banca Intesa under the Guarantee Mechanism Program increased 6.8 fold as compared to 2018. Banca Intesa took an active part in the new credit programs of state support of small and medium business, including refinancing services of loans at other banks. The loan products issued in 2019 under the SME state support programs exceeded the lending in 2018 by 2.7 times.

In addition to small and medium business loans services development, in 2019 a lot of attention was drawn to the increasing the level of online services under the development of transactional business, internet-banking modernization has been completed in order to ensure compliance with the highest requirements and to enhance customers’ possibilities for receiving remote services. In 2019, the “Premium” package of services was launched for SME companies with individual terms in both the product price offer and the services provided by a personal manager.

Today, the Bank offers a variety of packages for settlement and cash services, taking into account the specifics of the particular company’s activities and the individual needs of its customers.

Throughout 2019 the Bank increased deposits and balances on SME customers’ accounts by 15%. The Bank’s current SME liabilities portfolio amounts to RUB 9 billion.



Bank’s SME liabilities portfolio

SME LENDING

At the end of 2019, the Bank increased by 6% the volume of lending products to SMEs – as compared to 2018. In total, the loan portfolio in the SME segment amounted to RUB 16 billion. The loan portfolio is built up with its quality maintained. Thus, in 2019, the growth of the performing loan portfolio amounted to RUB 1.2 billion (9%), while the non-performing loan portfolio decreased by 17.5%.

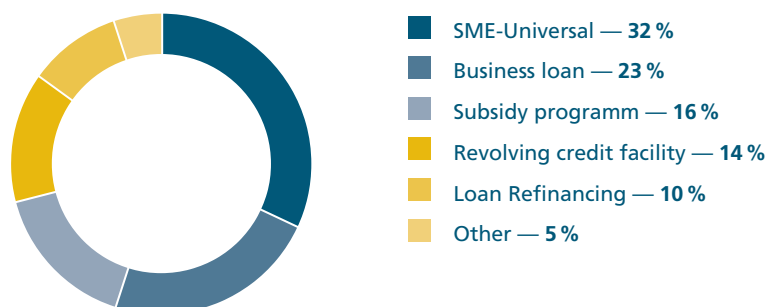


Loan portfolio in the SME segment

With regard to loan terms, the share of medium-term and long-term loans in the SME loan portfolio is 76%, which is part of the strategy for building long-term relationships with the SME clients.

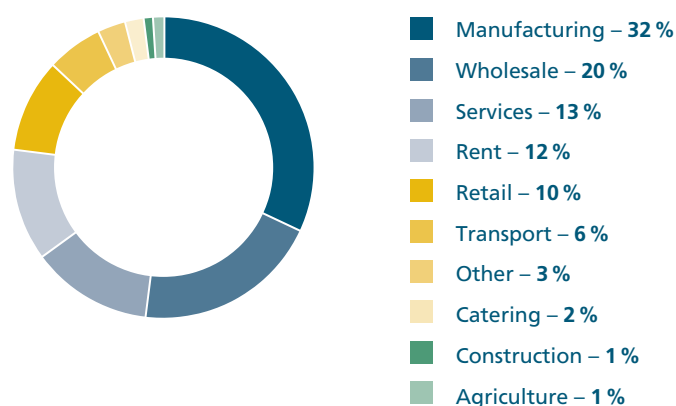
The product structure of loans disbursed consists of mainly credits / Non-revolving credit lines (23%), Revolving credit lines (14%), credit lines issued under SME state support programs (48%) and refinancing (10%).

Structure of SME loan portfolio by type of the bank’s loan products, %



The distribution of SME loans portfolio by industries is as follows: manufacturing (32 %), wholesale (20 %), services (13 %), rent (12 %), retail (10 %), transport (6 %), other (3 %), catering (2 %), construction (1 %) and agriculture (1 %).

Sectoral structure of SME loan portfolio, %



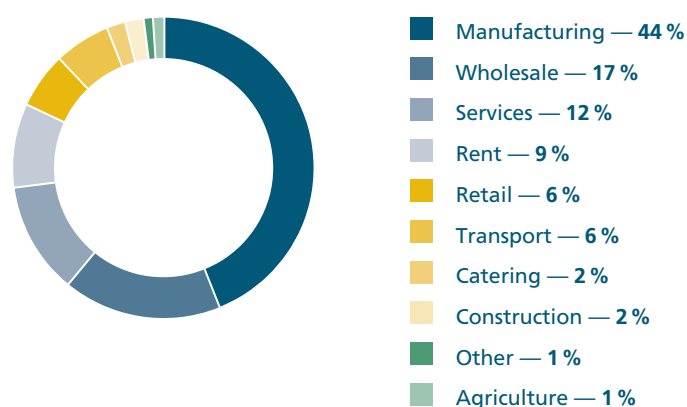
FINANCING OF SME AS PART OF THE STATE SUPPORT PROGRAM

Banca Intesa was among the first to start cooperation with the SME Corporation in the framework of state support for lending to small and medium enterprises. In 2019, the share of loans to SME, issued as part of the SME state support programs increased 2.3 fold to reach 44 % in the Bank's total portfolio. A significant increase in the scope of the SME state support programs, as well as improvement and expansion of the conditions for their provision, have largely prompted the availability of financial resources for small and medium enterprises.

In 2019, the program of lending secured by guarantee funds has been increased 1.4 times in terms of volume. The Bank has contracts on the provision of surety by funds in 19 cities and regions: Moscow, St. Petersburg and Leningrad region, Primorsky and Khabarovsk Territory, Kaliningrad, Samara, Nizhny Novgorod Regions, Novosibirsk, Omsk, Altai Region, Krasnoyarsk, Tomsk, Krasnodar, Rostov-on-Don, Volgograd, Yekaterinburg, Chelyabinsk and Tyumen. The total loan portfolio disbursed under the collateral of the guarantee funds in 2019 made up about RUB 1.4 billion.

In 2019, an agreement was reached with the SME Corporation to reduce the term and simplify the procedure for providing guarantees as security for loans to the clients of Banca Intesa, which will allow for increasing the availability of financing for enterprises, acquiring new clients to the Bank, and increasing the volume of lending.

Sectoral structure of the bank's portfolio in the segment of loans with state support, %



RETAIL BUSINESS

BUSINESS DEVELOPMENT

In 2019, the Retail Business Department has continued to work within the framework of the approved strategy for development of Retail Business. The main focus of the Bank's work with retail customers is aimed at improving the efficiency of the retail business, strengthening the customer work in the Private and Affluent segments, and transforming the product range for the more focused work with the segment of affluent customers.

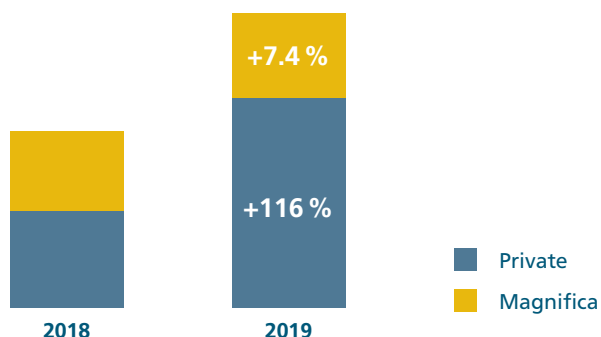
PRIVATE BANKING

As part of the new strategy for the development of Private banking, new dedicated customer service areas for the Private banking segment were opened in 2019: in Moscow, in the Bank's head office and in the office at 24 Zatsepa Street; in St. Petersburg, in the building of the Bank's North-Western branch. The team of employees servicing Private banking segment customers was increased by hiring new qualified specialists. As a result of high performance in 2019, the amount of the deposit portfolio of the Private segment customers was increased by 116%.

INTESA MAGNIFICA

The second most important segment of premium customers, Intesa Magnifica, showed a 7.4% growth in deposit amount at the end of 2019. The transition to portfolio management, individual service, the ability to diversify assets, an updated product offer, and the professionalism of client managers allowed the Bank to maintain the portfolio growth trend in this segment.

Portfolio volume

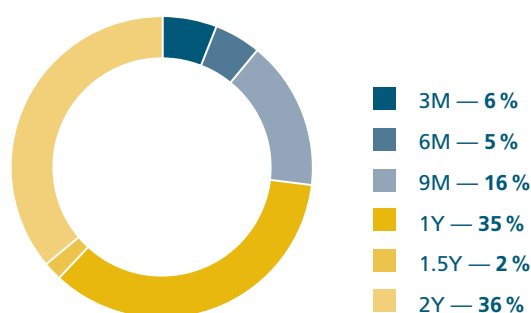


DEPOSITS

In 2019, the Bank, despite frequent market fluctuations, at all times provided up-to-date deposit solutions catering the needs and goals of individual customers.

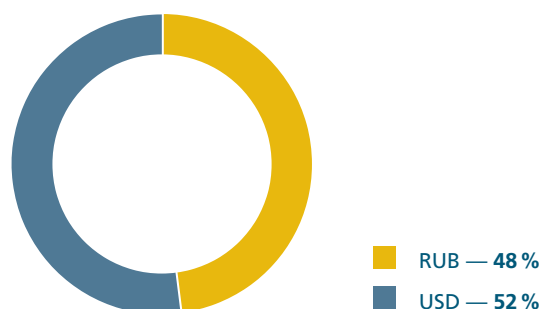
Following the results of 2019, the composition of individuals' deposits is significantly dominated by mid-term and long-term deposits, which that means depositors' trust in the Bank is still high. The share of deposits placed for 6 months and more amounted to 94 % in 2019, and the most popular deposit maturity is 731 days (36 % of individuals' term deposit portfolio).

Distribution of the deposit portfolio by terms, %



As of the end of 2019, USD deposits prevail in the structure of individuals' deposit portfolio, comprising 52 % of the portfolio.

Distribution of the deposit portfolio by currencies, %



BANK CARDS

2019 saw a number of promotional campaigns along with the VISA international payment system in order to promote the Bank's VISA Gold, VISA Signature and VISA Infinite premium cards.

The debit and credit card product line of the Bank was also revised, with changes in the service rates for premium customers.

New options have been added to a number of banking products, such as cashback and accrual of interest on the balance of customers' own funds. The rate policy has been changed, which secured increased income from active use of bank cards. Intesa.Transfers, a new service to transfer money online between cards of any Russian Bank, has been introduced. The Bank's cards may be replenished without commission, with a total amount of transfers of up to RUB 50,000 per month. Customers can use the service to both repay loans or transfer money for their current expenses. Intesa.Transfers is available on the Bank's website and also as a convenient mobile app.

CREDITING RETAIL CLIENTS

The credit product range has been revised to meet the expectations of premium customers, including those regarding the range of loan amounts, terms, interest rates, and collateral. More favorable loan conditions are offered for a bigger loan amount.

The average amount of consumer loan is still high due to loans granted to Magnifica and Private clients.

LEASING

In 2019, the Russian leasing market showed zero growth in new business volumes, which is calculated as the cost of leased assets transferred to clients, VAT excluded. At the same time, there is a decrease in the total volume of new leasing agreements, which is caused by the gradually reducing key rate of the Bank of Russia and the increasing price competition between leasing companies. Unlike in the past three years of growth, the Russian lease market is likely to stagnate. The main reason for the slowdown in 2019 was the slump in the new business volumes in segments such as aviation leasing and railway transport, which used to be the key growth drivers before. At the same time, there was an increase in the volume of lease financing of real estate and car leasing transactions. Favorable factors for the leasing market as a whole were various forms of state support and interest rates going down.

Banca Intesa concludes leasing transactions through its fully-owned subsidiary leasing company, Intesa Leasing. The leasing portfolio of Intesa Leasing exceeds RUB 1.43 billion. According to the Expert Rating Agency, for 9 months of 2019, Intesa Leasing ranks 34th in Russia for the number of leasing transactions, 44th for the amount of lease payments received, 49th for the new business volume.

In terms of leasing portfolio size, Intesa Leasing holds the most significant positions in the following segments: telecommunication equipment, office equipment, computers (No. 6), power equipment (No. 16), ships (sea and river) (No. 16) and passenger cars (No. 36).

Leasing financing provided by the Company in 2019 amounted to RUB 990 million. There were 297 leasing agreements entered into with 171 customers as lessees. Intesa Leasing has effective agreements with 394 lessees belonging to both corporate segment, small and medium business companies and individual entrepreneurs. The share of the largest lessee in the total portfolio is 6.3 %.

In 2019, the Company further participated in the state program for subsidizing the leasing of Russian wheeled vehicles.

Intesa Leasing is a universal leasing company dealing with various types of leased assets, with leaseholders from various Russian industries, mainly transport, food, plastic goods production, trade, IT services, and oil-extraction equipment services. The Company purchases assets to be leased from both Russian sellers and under foreign contracts with international manufacturers.

Intesa Leasing offers leasing transactions in 14 Russian regions, with the most active operations in Yekaterinburg, Krasnodar, Tomsk and Rostov-on-Don.

In 2019, a major role is still played by transactions involving vehicles and special equipment. Thus, as of the end of the year, the share of leasing of trucks and passenger vehicles in the leasing portfolio amounts to 38.6 %, with 50.3 % for various types of equipment, 10.2 % for special wheeled and tracked vehicles, and 0.9 % for real estate (ships).

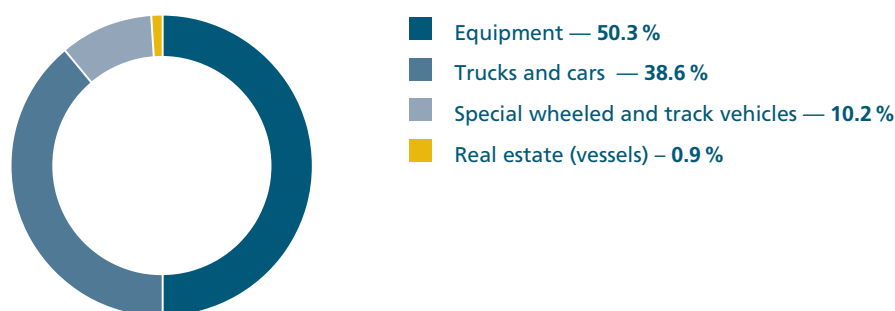


Leasing
portfolio



Leasing
financing

Structure of leasing deals in 2019, %



BRANCH NETWORK

Banca Intesa is widely represented in the regions of Russia. The Bank's network consists of 29 branches and offices in 21 Russian regions from Kaliningrad to Vladivostok.

Regional Center CENTRAL

Moscow (5)

Regional Center NORTH-WEST

St. Petersburg (2)
Kaliningrad (1)

Regional Center URAL

Yekaterinburg (1)
Tyumen (1)
Chelyabinsk (1)

Regional Center SIBERIAN

Novosibirsk (1)
Omsk (2)
Tomsk (1)
Krasnoyarsk (1)
Barnaul (1)
Irkutsk (1)



REGIONAL CENTER SOUTH

Rostov-on-Don (1)
Krasnodar (2)
Sochi (1)
Volgograd (1)

Regional Center VOLGA

Nizhny Novgorod (1)
Kazan (1)
Samara (1)
Ufa (1)

Regional Center FAR EAST

Vladivostok (1)
Khabarovsk (1)

Risk management



Risk management

The Bank has introduced a comprehensive state-of-the-art risk management system in compliance with Russian and international standards. The existence of established procedures at each stage of the Bank's operations, subject to the principle of responsibility allocation and mandatory control, allows for comprehensive risk assessment and effective risk management.

The risk management methods are regularly revised to verify compliance with Russian and international laws, rules and regulations of Intesa Sanpaolo Group. The decision-making system is logically integrated into the risk management system of the parent bank.

In order to provide the Bank's governing bodies with an independent and objective risk management assessment, internal control and corporate governance systems, employees and their managers are encouraged to improve the control environment and risk management processes in the Bank, with regular internal audits conducted by the Internal Audit Department of the Bank.



CREDIT RISK

Lending is a key process in the Bank's activities. In this regard, special emphasis is placed on the credit risk assessment, both at the portfolio level and at the level of each counterparty. The risk level is reviewed and assessed in accordance with the approved credit policy, which defines both general requirements and standardized approaches to various categories of borrowers, along with relevant lending conditions to fit these categories. Credit risk is assessed based on clear criteria and minimized – by using the developed risk tools.

The well-organized decision-making system is based on European standards and fully complies with the requirements of the Bank of Russia. Decision-making is centralized, client acquisition and risk assessment functions are separated, quality is verified both at the decision-making stage and during further control.

For the purposes of comprehensive decision-making, we regularly conduct industry portfolio analysis; the portfolio is also analyzed by terms, currencies, loan products, types of clients, largest loans (loan portfolio concentration risk), level of overdue debt and degree of its coverage by the loan loss provisions.

The credit risk limits for individual borrowers / groups of related borrowers are approved by authorized bodies in accordance with the decision-making matrix, depending on the type of the client, compliance with standard terms of the loan product, and the amount of the total credit risk. A comprehensive assessment of the borrower's financial standing and those of the main parties to the credit transaction is carried out both during risk acceptance and regular review of the financial standing in accordance with the requirements of the Bank of Russia and European practices. The intended use of the loan, dynamics and nature of the turnover on the borrower's / guarantors' accounts with the Bank as well as preliminary and subsequent conditions are monitored. The collateral value is assessed in compliance with standard practices, with its actual value further monitored.

At the Bank has been established a subdivision responsible for collection and assessment of negative signals regarding the borrowers, in order to respond promptly to any increase in credit risks related to the counterparties and develop measures to protect the Bank.

In order to ensure general stability of internal control over credit risks pursuant to the requirements of the Intesa Sanpaolo Group, which are based on compliance with the regulations of the Bank of Italy and world's best practices, the Risk Management Department has implemented the second level credit control. The control is focused on the entire process of crediting, from credit issue to various stages of credit portfolio management in order to ensure proper classification and reservation of loan portfolio.

MARKET RISK

Market risk is the risk that the fair value of assets or future cash flows from financial instruments will decrease due to changes in the market parameters (interest rates, currency rates, etc.). Market risk includes currency risk, interest rate risk, risk of interest rate change.

The Risk Management Department carries out assessment of the market risk on a daily basis, and generates reports for the Treasury and management bodies of the Bank and the Intesa Sanpaolo Group. Market risk management tools represent the process by setting open position limits in relation to financial instruments that include levels of risk exposure (nominal and market), VaR, PV100, PV200, and stop loss limits, and open position limits.

Decisions concerning market risk management are made by the Financial Risk Committee. Market risk limits are approved by the Board of Directors.

LIQUIDITY RISK

Liquidity risk is defined as the risk that the Bank will not be able to fulfill its payment obligations due to the inability to obtain funds on the market or to liquidate assets. Liquidity risk exists when the maturities of assets and liabilities do not match. Control over mismatching maturities and interest rates of assets and liabilities is fundamental to liquidity management.

The Risk Management Department regularly monitors and analyzes the structure and parameters of asset liquidity and identifies requirements pertaining to liquidity with regard to the current market situation and alternative sources of financing.

The Bank has introduced a liquidity stress-testing and forecasting system, which allows daily monitoring of the Bank's assets, liabilities and cash flows, as well as forecasts the Bank's requirements for financing, depending on the expected market conditions and business trends.

Decisions on liquidity management are made by the Financial Risk Committee and implemented by the Treasury Department. The Bank constantly introduces new standards for liquidity risk monitoring and management based on the valid Basel requirements for banking supervision and according to the Intesa Sanpaolo Group liquidity guidelines.

The Bank regards a high level of liquidity as a priority and maintains a well-balanced portfolio of highly liquid assets. The adopted requirements for measuring and monitoring liquidity risk fully comply with the Bank of Russia's requirements and Intesa Sanpaolo Group guidelines.

INTEREST RATE RISK

Interest rate risk is defined as the exposure of a bank's condition to adverse movements in interest rates. The Bank is exposed to interest rate risk mainly as a result of lending at fixed interest rates, in amounts and for periods other than those of term deposits at floating interest rates.

The Financial Risk Committee of the Bank is mainly responsible for implementing and coordinating strategies and policies relating to the Bank's interest rate risk and the method for measuring that risk, in full compliance with Intesa Sanpaolo Group guidelines. The Bank's Board of Directors is responsible for approving the limits for interest rate risk exposure.

The Bank uses the following methods to measure interest rate risk: sensitivity of fair value, which is measured by changes in the fair value of assets and liabilities resulting from a symmetrical shift in discount curves, and sensitivity of the interest margin which defines the short-term impact on the interest margin of assets and liabilities with the appliance of a symmetrical shift in discount curves.

Periodic reporting on interest rate risk exposure is prepared for the Bank's Management Board and Financial Risk Committee.

OPERATIONAL RISK

Operational risk for the Bank is the risk of losses resulting from inadequacy or failures of internal processes, human factors, failures of IT-systems and information security malfunction, and external events.

Operational risk management is based on identifying, monitoring, evaluating, minimizing, and controlling operational risks and ensuring their timely prevention in accordance with the recommendations of the Bank of Russia and the Basel Committee on Banking Supervision, the requirements of the Intesa Sanpaolo Group, and the legislation of the Russian Federation.

Operational risk evaluation includes regular evaluation of the causes of risk and the degree of control over them as well as scenario analysis of operational risk events performed by all of the Bank's departments. Moreover, the Bank has set aside reserves for possible losses related to operational risk events.

Unit heads are responsible for operational risks in the Bank within the scope of their unit's functions.

LEGAL RISK

The Bank pays special attention to managing legal risk due to the possibility of incurring losses as a result of the violation of regulations and terms of concluded contracts, legal errors in the conduct of banking activities, and the imperfection of the legal system. In conducting its statutory activities, the Bank strictly follows the requirements of current legislation and by-laws.

Legal risk management includes the following activities:

- ◆ monitoring of legislation and changes to legislation and regulations in the field of legal regulation of the banking system, tax, and financial laws;
- ◆ legal examination of the internal regulations and regulatory documents and contracts concluded by the Bank for compliance with the applicable laws and other regulatory acts;
- ◆ regular analysis of disputable issues considered with the participation of the Bank at judicial agencies;
- ◆ study of the arbitration practice.

STRATEGIC RISK

Strategic risk, such as the risk of the Bank suffering losses as a result of errors made in the decision-making process determining the strategy and development of the Bank, is minimized by means of a thorough study of managerial decisions based on the preliminary analysis of the current situation in the banking sector and the prospects of its development, risk levels, the actions of the Bank's partners and competitors, client demands, and human, financial and technical implementation of scheduled changes. Based on an evaluation of the above parameters, the Bank plans its product range, branch network development, and quantitative and qualitative parameters of business growth.

The Bank is not involved in any legal procedures which may significantly affect its financial and business activities.

General License of the Bank of Russia No. 2216 dated May 6, 2015 is issued for an indefinite period of time without the need to extend.

COMPLIANCE RISK AND RISK OF MONEY LAUNDERING AND TERRORIST FINANCING

The compliance control system as an obligatory element of the internal control system is constantly being improved and adapted to the Bank's development strategy. For this purpose, in 2019 the Bank conducted the process of improving the compliance control procedures connected to regulatory risk management, including the construction of an integrated internal control system in the Bank, adaptation of internal compliance regulations to Group standards, as well as comprehensive customers' due diligence, aimed at anti-money laundering, combating terrorist financing and financing of proliferation of weapons of mass destruction.

The key objectives of the compliance function in the Bank are: the efficient management of compliance risks, their timely identification and mitigation (elimination); providing consultations to heads of divisions on the issues of compliance with the applicable laws of the Russian Federation and generally accepted risk management standards, as well as the standards adopted within the Intesa Sanpaolo Group, assistance in the staff training organization, and contribution towards internal policies and procedures development. The implementation of these objectives allows the Bank to comply with the recommendations of the Basel Committee for Banking Supervision in the area of minimizing compliance risks.

The Bank has put in place and regularly updates its "Internal control rules for combating money laundering, terrorist financing and financing of proliferation of weapons of mass destruction". This is a set of documents regulating the Bank's activities in the field of anti-money laundering, combating terrorist financing and financing of proliferation of weapons of mass destruction (AML/CFT), containing a description of the totality of actions performed and procedures applied, as set out in the AML/CFT internal control programs. These rules also describe the actions to be performed by officials and employees of the Bank to ensure internal control in the AML/CFT field, distribute responsibility zones and fix time-frames for performing duties by officials and employees of the Bank to ensure internal control in the AML/CFT sphere.

The results of 2019 confirmed the efficiency of the policies in place to manage the risk of money laundering, terrorist financing and financing of proliferation of weapons of mass destruction, including in terms of detection, termination and prevention of dubious operations. Moreover, the Bank kept improving its compliance control procedures, ensuring efficiency of detection and suppression of customer operations at risk, and that the processes of documentary recording of data (information) on AML/CFT issues were functioning correctly; data on AML/CFT issues was promptly sent to the authorized body.

REPUTATIONAL RISK

Reputational risk directly depends on how the Bank's financial stability, the quality of services it provides, and the nature of its general activity are perceived by the public.

In 2019 the Bank controlled and keeps controlling all aspects of this risk in various branches of its activity and manages them accordingly. All customer inquiries are considered by the Bank. No customer inquiries remain unanswered, with the quality of services being constantly improved. The Bank's system for processing inquiries from governmental bodies enables it to promptly respond to incoming letters and perform actions to eliminate any defects found.

Social
responsibility



Social responsibility

CORPORATE VALUES

CODE OF CORPORATE ETHICS AND CORPORATE CODE OF CONDUCT

As part of its activity, Banca Intesa voluntarily takes social responsibility based on the following corporate values: Integrity, Transparency, Excellence, Equality, Respect for specific qualities, Value of the Individual, and Responsible Consumption. These values are enshrined in the Corporate Code of Conduct which is a self-discipline tool and contains a system of ethical and moral rules of conduct voluntarily accepted and shared by every employee of the Intesa Sanpaolo Group, regardless of office. The Code may be reviewed and updated from time to time in order to keep with the Bank's evolution and the operating environment.

Banca Intesa understands the importance of sustainability and transparency of the principles underlying its relations with stakeholders and confirms the importance of conveying the corporate behavior criteria within the Bank in a clear and understandable manner. The Bank considers interaction with stakeholders as the most important condition for the development of the Bank's corporate social responsibility. Stakeholders include clients, shareholders, employees and suppliers, and even the environment.

The primary channels of interaction with stakeholders and coverage of the Bank's activity in 2019 were as follows: mass media, the Interfax Corporate Information Disclosure Center, the Bank's official website, the internal corporate portal — intranet, the official social media accounts of the Bank, and the information and inquiry office (call center).

The Bank's reports, its financial performance, information on affiliates, the list of insider information, and information on issued securities were disclosed by the Bank in the media, on the website of the Interfax Corporate Information Disclosure Center, which updates this information in real time, and on the Bank's official website, increasing its transparency and openness to the public.

All Bank employees are guided by the rules set forth in the Code of Corporate Conduct, which defines the basic standards of conduct for employees, representatives and independent experts of the Bank for the purpose of fair, honest, and highly professional execution of their duties.

By implementing the principles of social responsibility, the Bank is able to have a positive impact on its economic and social environment, its employees and customers and society as a whole.

Banca Intesa rejects war as a means to solve international disputes. In 2019, the Bank did not perform banking activities directly or indirectly related to export, import, transit or production of arms, or to research into the production/trade of weapons.

Being impartial and politically independent, the Bank also does not participate in funding of political parties or any entities associated with them.

HR POLICY

The Bank's staff policy is aimed at attracting the best specialists and ensuring their professional development. All HR policies are based on strict compliance with the Constitution of the Russian Federation, the Labor Code, and other legal acts of the Russian Federation. Banca Intesa does not discriminate in labor and it guarantees equal rights and opportunities for all employees. The Bank follows the principle of tolerance towards racial, religious, physical, and other differences of employees.

In 2019, the Bank made a number of organizational changes in the structural units of the headquarters and the regional network, with following organizations established: Network, Retail and SME Division, which has comprised the Call-Centre, the Customer Satisfaction Office, Network Support Office, the SME Business Department, and the Retail Business Department; the Corporate and Investment Banking Division consisting of the Business Operations Office, the Corporate Relationship Department, and the Corporate Business Solutions Department.

As a result of organizational structure optimization, certain business functions of the Bank have been changed and centralized, with unprofitable offices closed, headcount and the number of subdivisions optimized, interaction between the subdivisions improved, workload on staff redistributed, duplicated functions eliminated, managers' and specialists' areas of responsibility delineated. All the above transformations will ensure a higher business performance.

In 2019, a new version of the Compensation and Remuneration Policy was developed and adopted to regulate the basic principles of the employee compensation and remuneration system.

As of 31.12.2019, the Bank employs 1,111 people (including Intesa Leasing). The average number of years with the Bank in the main age groups is 5.6 years.

Banca Intesa guarantees its employees equal opportunities for professional development and growth. The Bank organized internal training for newcomers to ensure their full adaptation. All employees undergo training to improve their skills. Employees are sent to attend workshops and seminars organized by special training centers, as well as for training at the parent Bank of Intesa Sanpaolo Group in Italy or in other subsidiaries of the Group. In 2019, the Bank's employees completed various full-time and distance learning courses. In 2019, all employees obtained access to an electronic library with over 1,000 books and over a hundred audio books for professional development.

In 2019, the corporate culture retained trends of the development of personal responsibility for achieving results, increasing performance, business efficiency, and processes optimization. In 2020, these trends will continue. The main areas of development will be improvement of business processes, increasing performance – based on professional development of employees, strengthening corporate culture, and increasing involvement. It is planned to implement a number of digital technology-driven HR management projects (as related to collecting information about personnel, setting goals, and building a program for personnel development, succession pipeline development).

HEALTH AND SAFETY

To provide safe labor conditions in the head office and regional centers, and mitigate the risk of accidents at work and occupational diseases, the Bank arranged regular training in occupational safety and health and electric safety in 2019. The working environment has been assessed, with special efforts to prevent accidents at work and occupational diseases made. Employees engaged in hazardous operations have had a regular physical examination. The local internal occupational safety documents have been reviewed to comply with the government requirements. The Bank is constantly implementing measures to improve working conditions.

SOCIAL POLICY

Within the framework of the adopted policy, Banca Intesa offers its employees a social package, with a guaranteed voluntary health insurance (VHI) plan for employees with more than one year of work experience with the Bank, as well as insurance for employees travelling abroad. The Bank provides preferential terms of VHI for all the Bank's employees and their relatives. In 2019, under the voluntary health insurance program, the accident insurance program for employees was renewed.

Employees with an open-ended employment contract are covered by a unique program provided by the Intesa Sanpaolo Group. The purpose of the program is to provide employees with assistance in the event of certain serious diseases (cancer, open-heart surgery, heart valve replacement surgery, transplant surgery, brain and intracranial diseases). Program allows access to medical advice and treatment in healthcare institutions around the world. Thus, people suffering from serious diseases will receive the best medical treatment available in the world.

In 2019, the international employee insurance program was extended for three years, and it is now funded entirely by Intesa Sanpaolo Group.

Employees of all categories, as well as their relatives, also have an opportunity to apply for the program of international comprehensive insurance against oncology and other serious diseases "Medicine without Borders", which includes coverage for four types of treatment (oncology treatment, coronary artery bypass surgery, heart valve transplantation/restoration, transplantation of organs / bone marrow from the living donor).

The Bank's employees have preferential lending terms. Within the framework of various corporate programs, the Bank's staff has access to a corporate package with discounts in various stores, fitness clubs, movie theaters and restaurants.

The Bank actively develops corporate volunteering programs and visits orphanages and cooperates with charitable foundations.

ENVIRONMENTAL FRIENDLINESS

In 2019, the Bank did not sponsor any activities that may cause harm to the environment in accordance with the environmental policy of Banca Intesa. The Bank traditionally takes part in two environmental initiatives: Earth Hour and World Environment Day. Information about the events was placed on the Bank's official website, intranet internal portal and social media, in order to raise environmental awareness and encourage interest in tackling climate change. In 2019, the Bank also joined the national campaign Bike to Work supported by the Moscow Transport Department.

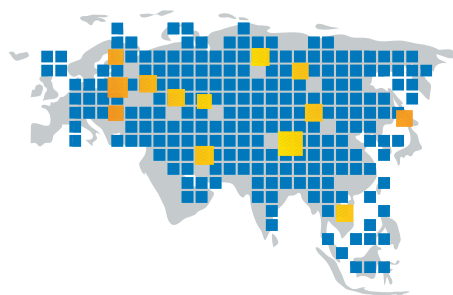
By supporting the ideas of energy and heat conservation, adopting responsible water consumption, and recycling paper and other materials, the Bank is reducing its environmental footprint. The Bank organized collection of plastic and previously used batteries for disposal. In order to save paper, the Bank's printers are set to double-sided printing by default, but preference is given to electronic formats.

SUPPORT OF CULTURE, CHARITY AND BUSINESS PROJECTS

In 2019, Banca Intesa continued its activities aimed at supporting and strengthening Russian-Italian cooperation in the field of culture and art, as well as took an active part in socially significant projects, acted as a partner and organizer of a number of large-scale business initiatives.

EURASIAN ECONOMIC FORUM IN VERONA

The XII Eurasian Economic Forum took place in Verona (Italy) on October 24-25, 2019. Issues of Eurasian integration, cooperation between companies from different countries and prospects for development of key sectors of the economy were discussed at the Forum. The Forum was organized by the Italian non-profit Association Conoscere Eurasia together with the Roscongress Foundation and St. Petersburg International Economic Forum with the support of Banca Intesa and Intesa Sanpaolo Group.



XII FORUM ECONOMICO EURASIATICO DI VERONA
XII EURASIAN ECONOMIC FORUM IN VERONA
ХІІ ЕВРАЗИЙСКИЙ ЭКОНОМИЧЕСКИЙ ФОРУМ В ВЕРОНЕ

24-25.10.2019
 PALAZZO DELLA GRAN GUARDIA

The Forum was opened by a special session attended by Igor Sechin, Chief Executive Officer, Chairman of the Management Board of PJSC Rosneft Oil Company. The speakers included Romano Prodi, President of the Foundation for Worldwide Cooperation, Prime Minister of Italy (1996-1998, 2006-2008); Robert Dudley, Group Chief Executive, BP; Michael Harms, General Director of the German Committee on Eastern European Economic Relations; Emma Marcegaglia, President of Eni and President and CEO of Marcegaglia Holding S.p.A.; Ivan Glasenberg, Chief Executive Officer of Glencore International AG; Andrey Kostin, President and Chairman of the Management Board, VTB Bank.

The Forum has gathered together more than 1,200 people representing companies and organizations from 33 countries, political and public figures, experts, diplomats and journalists.

The high profile of participants confirms the growing importance of the Forum as a crucial and effective international discussion platform.

The entertainment program of the XII Eurasian Economic Forum included a symphonic music concert by the Tchaikovsky State Academic Orchestra directed by Vladimir Fedoseyev.

BUSINESS SEMINARS

In 2019, numerous business seminars, dedicated to the development of trade and economic relations between Russia, Italy and a number of other European countries, were organized with the support of Banca Intesa. Business meetings were held in Russia, Italy, Austria, Switzerland and Belgium. Business seminars were organized by the Association Conoscere Eurasia in cooperation with the Roscongress Foundation and St. Petersburg International Economic Forum.

In Russia, business seminars took place in Krasnodar, Yekaterinburg, Barnaul and Nizhny Novgorod. These events have added momentum to the development of the Bank's business in these regions. At the business seminars, it was repeatedly emphasized that maintaining communication between Russian and Italian entrepreneurs is essential for launching new businesses and strengthening trade and economic cooperation between the countries.

The main audience of foreign events was business people who either do business in or with Russia, or are interested in opportunities offered by the Russian market.

SPIEF'19

Banca Intesa and Association Conoscere Eurasia took an active part in the XXIII St. Petersburg International Economic Forum (SPIEF'19). There, with the support of the Bank, a number of panel sessions were organized regarding the issues of effective interaction between large companies from Italy and Russia as well as the development of cooperation and the exchange of innovative experience among small and medium enterprises of the two countries.



SPIEF'19
ST. PETERSBURG
INTERNATIONAL
ECONOMIC
FORUM

As part of the entertainment program maestro Giuseppe Acquaviva and his Teatro Carlo Felice Philharmonic Orchestra from Genoa gave a concert in the Mariinsky Theater.

Banca Intesa supported the creation of an Italian restaurant Stella d'Italia ("Star of Italy") at the SPIEF'19 venue. This year, the forum participants were able to taste the traditional dishes of the Italian region of Liguria, which were prepared under the guidance of the Michelin star chef Ivano Ricchebono.

FILM FESTIVALS

Banca Intesa is a long-term partner and organizer of a number of Italian film festivals in Russia, providing an opportunity for the Russian audience to see both contemporary and classic Italian films.

From Venice to Moscow

In 2019, Banca Intesa sponsored the 10th Anniversary Film Festival From Venice to Moscow. The traditional retrospective organized by the Italian Institute of Culture in Moscow in collaboration with the Venice Biennale introduced Russian audiences to a selection of Italian films presented at the 75th Venice International Film Festival. The Festival in Moscow opened with the film "Abduction of Caravaggio" by Roberto Ando. Guests of the Festival were Wilma Labate, the director of the documentary "Goodbye, Saigon!", Emanuele Scaringi, a young director of the drama "The Armadillo's predictions", and Stefano Consiglio, the author of "Long Live Giuseppe!". The films of the program, as always, touch a variety of subjects and differ in style and language, which allows you to create an up-to-date image of modern Italian cinematography, presented at the most prestigious international film festival.

In the section "Italian classics" a masterpiece of world cinema — a restored film "Twentieth century" by Bernardo Bertolucci — was presented to the audience.

The festival included master classes by Italian directors.

N.I.C.E.

The Bank became the General Partner of the N.I.C.E. (New Italian Cinema Event) in Novosibirsk in April 2019.

The film festival was supported by the Italian Institute of Culture in Moscow and the Italian Embassy. The main goal of the festival is to promote new Italian cinema in the world. N.I.C.E. festival takes place not only in Russia, but also in other countries. The festival is especially popular in the United States and China. The program of the current film forum was based on the debut films by young Italian directors. In 2019, the poster of the festival included six films of different genres and Franco Zeffirelli's classic film "Tea with Mussolini".

The opening film — "There is no place like home" directed by Gabriele Muccino — was presented by the festival's guest of honor, actress Viviana del Bianco.

LA TUA ITALIA

In 2019, the Bank continued to support the www.latuaitalia.ru project of the Embassy of the Republic of Italy in the Russian Federation to promote Italian culture and intensify tourist exchange between Russia and Italy.

The project aims to provide Russian users with an innovative information portal that combines key cultural events, tourist routes in the regions and cities of Italy, and contains tips for those who are going to visit this country.

During the years of cooperation between the Bank and the Italian Embassy in this project, La Tua Italia website has become the most popular Internet resource about Italy in Russia. More than 100,000 visitors use this portal every month to plan their trips to Italy.

TRIPS OF RUSSIAN AND ITALIAN WRITERS

In September 2019, a group of Italian writers visited Krasnodar and Sochi. This trip continued a series of trips of Italian writers to Russia and of Russian writers to Italy. This project is implemented by the Association Conoscere Eurasia with the support of Banca Intesa and in cooperation with the Federal Agency for Press and Mass Communications (Rospechat).

In Krasnodar, the Italian writers met with students of the Kuban State University, got acquainted with the history of the region, visited the Literary Museum and met with local poets and prose writers. In Sochi, the Italian guests visited the Olympic University and Sirius Educational Center. Traditionally, a collected book is planned to be published based on the experiences of the trip, to be translated into Russian.

Banca Intesa have been supported the trips of Russian and Italian writers since 2011 in order to deepen cultural ties between Russia and Italy.

RADUGA LITERARY AWARD

The Bank continued to support the annual Raduga Literary Award for young writers and translators from Russia and Italy. This time the award was presented in the Italian city of Verona.

Over the ten years of its existence, Raduga Award has published works by 100 aspiring writers and translators from Italy and Russia, and about 5,000 young talents have participated in the competition over the years.

The works submitted for the contest always show the desire of young authors to fight for a fair society. The 2019 winners speak about their love for older generations, their rejection of the dominance of technology in human relationships and their attention to social aspects of our lives.

The 10th anniversary of Raduga brought us back to Verona, where this award was born. This anniversary has reaffirmed the need for free interweaving of cultures, which contributes to deepening relations between Italy and Russia.

The award is organized by the Association Conoscere Eurasia together with the Maxim Gorky Literature Institute. In 2019, Raduga Award was held in partnership with the Russkiy Mir Foundation and under the patronage of the Federal Agency for Press and Mass Communications (Rospechat).



COOPERATION WITH RUSSIAN NATIONAL LIBRARY

In 2019, the Bank completed a three-year project with the Russian National Library to digitize a unique archive of letters addressed to an Italian scientist, philosopher and theologian of XVIII century Angelo Calogerà.

Project to digitize letters to Angelo Calogerà is an important contribution to the preservation of the historical and cultural heritage of Italy and Europe. Digitized materials will become a valuable open source of knowledge available to a wide range of people studying history both in Italy and in Russia.

“THE SUMMER GARDEN 315” FESTIVAL

For the ninth time, Banca Intesa partnered with The Imperial Gardens of Russia, the international festival of landscape art in Saint Petersburg. This time it took place in the famous Summer Garden and was dedicated to the 315th anniversary of the oldest park in Saint Petersburg. The Summer Garden was decorated with floral and landscape compositions, guests of the festival were offered an extensive entertainment program, installations and exhibitions about milestones in the history of this piece of landscape art.

The Imperial Gardens of Russia is organized by the State Russian Museum.

SLAVIA MAGAZINE

In 2019, the Bank continued to support Slavia, a magazine publishing articles and scientific studies on culture, economy and historical heritage of the Slavic nations. Slavia is a quarterly periodical that has been published since 1992 in Italian. The largest libraries and universities of Italy are among its subscribers.

COLLABORATION WITH THE RUSSIAN PUBLISHERS ASSOCIATION

With the assistance of the Bank, a ceremony as part of the Red Square Book Festival was held in June 2019 to award the winners of the annual national contest Best Books of the Year, organized by the Russian Publishers Association. This is the biggest and the most prestigious Russian publishing competition, held since 1992. The scale of the competition allows to discover new publishing names and original publishing projects. 153 various publishing houses submitted applications to participate in the contest in 2019.

ITALIAN REPUBLIC DAY

In 2019, the Bank provided annual support in arranging a reception at the Italian Embassy dedicated to the Italian national holiday, the Republic Day. More than a thousand guests — politicians, business people and cultural figures from both countries — gathered at the Berg’s mansion in Moscow to celebrate the 73rd anniversary of the proclamation of the Italian Republic.

RZHEV MEMORIAL TO THE SOVIET SOLDIER

In 2019, the Bank took part in a joint project with the Russian Military Historical Society regarding the creation of the Rzhev Memorial to the Soviet Soldier in the Tver Region. The memorial complex is being built on the site of bloody battles near Rzhev in 1942-1943. A 25-meter-high figure of a soldier on a high artificial hill will stand near the M9 highway. The names of the fallen will be immortalized on steel plates and in the multimedia exhibition of the museum pavilion to become a Victory Museum branch.



Corporate
governance

Corporate governance

MANAGEMENT BODIES OF THE BANK

BOARD OF DIRECTORS

In 2019, Michele Dapri and Alberto Mancuso resigned from the Bank's Board of Directors.

In 2019, the Annual General Meeting of Shareholders elected a new composition of the Board of Directors comprising 9 members, including Massimo Torchiana and Elio Lolla:

Antonino Fallico	Chairman of the Board of Directors (elected on 29.04.2019)
Salvatore Catalano	Deputy Chairman of the Board of Directors (elected on 29.04.2019)
Armando Selva	Member of the Board of Directors
Christophe Velle, Jean-Paul	Member of the Board of Directors
Andrea Mascetti	Member of the Board of Directors
Gianluca Cugno	Member of the Board of Directors
Stefano Favale	Member of the Board of Directors
Massimo Torchiana	Member of the Board of Directors
Elio Lolla	Member of the Board of Directors

INFORMATION ON THE MEMBERS OF THE BOARD OF DIRECTORS OF BANCA INTESA AS OF DECEMBER 31, 2019

Antonino Fallico

Born in	1945
Education	University of Catania (Italy), Economics and Commerce, 1969
Primary employment	Head of the Representative Office of Intesa Sanpaolo S.p.A. (Italy) in Moscow
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Salvatore Catalano

Born in	1941
Education	Catholic University of the Sacred Heart, Milan (Italy), Jurisprudence, 1968
Primary employment	Attorney at Salvatore Catalano Advocates Bureau
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Armando Selva

Born in	1952
Education	Polytechnic University of Milan (Italy), Architecture, 1976
Primary employment	Private entrepreneur (Italy)
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Christophe Velle, Jean-Paul

Born in	1974
Education	University of Metz (France), Public Law and Jurisprudence, 2000
Primary employment	Intesa Sanpaolo Holding International S.A. (Luxembourg), General Manager
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Andrea Mascetti

Born in	1971
Education	University of Milan (Italy), Jurisprudence, 1996
Primary employment	Attorney at Mascetti Advocates Bureau
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Gianluca Cugno

Born in	1968
Education	Bocconi University, Milan (Italy), Business Administration, 1992
Primary employment	Intesa Sanpaolo S.p.A, Head of International Department, Corporate & Investment Banking
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Stefano Favale

Born in	1973
Education	Free University LUISS Guido Carli, Roma (Italy), Economics and Finance, 1997
Primary employment	Intesa Sanpaolo S.p.A., Head of Global Transaction Banking, Corporate and & Investment Banking
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Massimo Torchiana

Born in	1966
Education	Luigi Bocconi University, Milan (Italy), Business Economics, 1992
Primary employment	Intesa Sanpaolo Bank Luxembourg S.A., Sole Executive Body, Managing Director
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Elio Lolla

Born in	1955
Education	University of Pavia (Italy), Jurisprudence, 1980
Primary employment	Fininvest, Advisor / Member of the Board of Directors
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

INFORMATION ON THE CHAIRMAN OF THE MANAGEMENT BOARD AND MEMBERS OF THE MANAGEMENT BOARD OF THE BANK***Chief Executive Officer: Acting Chairman of the Management Board, as of 23.05.2019*****Olga Lein**

Born in	1955
Education	Moscow State Institute of International Relations under MFA of USSR, Faculty of International Economic Relations, 1977
Primary employment	Banca Intesa, Deputy Chairman of the Management Board
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

May 23, 2019 – Giuseppe Giampietro appointed Chairman of the Bank's Management Board.

Chief Executive Officer: Chairman of the Management Board, as of 31.12.2019**Giuseppe Giampietro**

Born in	1969
Education	University Gabriele D'Annunzio Chieti, 1994
Major	Economy and Trade
Primary employment	Banca Intesa, Chairman of the Management Board
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

COLLECTIVE EXECUTIVE BODY: MANAGEMENT BOARD

INFORMATION ON THE MANAGEMENT BOARD OF BANCA INTESA AS OF DECEMBER 31, 2019

Giuseppe Giampietro (born in 1969), Chairman of the Management Board since May 23, 2019 (see education and primary employment information above)

Olga Lein (born in 1955), Acting Chairman of the Management Board until May 23, 2019, and Deputy Chairman of the Management Board since May 23, 2019 (see education and primary employment information above)

Tatyana Pavlycheva
Member of the Management Board / Head of Accounting, Planning and Control Group / Chief Accountant

Born in	1971
Education	Financial Academy under the Government of the Russian Federation, 1993
Major	Accounting, Control and Administrative Analysis
Primary employment	Banca Intesa, Member of the Management Board / Head of Accounting, Planning and Control Group / Chief Accountant
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Elena Grimaylo
Member of the Management Board

Born in	1971
Education	Moscow State Pedagogical University, 1993 Institute of Advanced Training and Professional Upgrade on Banking and Finance at the Financial University under the Government of the Russian Federation, Economist, 1997
Major	Foreign Languages International Economic Relations
Primary employment	Banca Intesa, Chief Credit Officer
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Irina Vasina
Member of the Management Board

Born in	1973
Education	State University of Management, 2002
Major	Management
Primary employment	Banca Intesa, Operational Director
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

Oleg Dzhus Member of the Management Board

Born in	1964
Education	Moscow Financial Institute, Economist, 1989
Major	Finances and Credits
Primary employment	Banca Intesa, Head of Treasury Department
PEP	no
Stake in the share capital	0
Stake of ordinary shares	0
Transactions with the Bank's shares	no

REMUNERATION FOR MEMBERS OF THE BANK'S MANAGEMENT BODIES, AND OTHER PERSONS ACCEPTING RISKS

The elaboration of the principles and criteria to determine the amount of remuneration for members of the Board of Directors falls within the competence of the General Meeting of Shareholders.

The decisions on payment of remuneration to members of the Board of Directors in connection with their participation in this management body of the Bank are made at the Annual General Meeting of Shareholders.

Information about the amount and types of remuneration that were paid by the credit institution to the members of the Board of Directors:

- The Annual General Meeting of Shareholders of Banca Intesa decided on April 01, 2019 (Protocol No.1/2019) to pay the remuneration for 2018 to the members of the Board of Directors in the amount of EUR 228,000;
- The members of the Board of Directors of the Bank were also reimbursed for the costs and expenses related to their work (accommodation and travelling costs, etc.) in the total amount of RUB 3,971,826.76 which was paid out by the issuer during the relevant reporting period.

For 2019, remuneration payments to members of the Bank's Board of Directors will be paid in the manner and in the amount approved by the General Meeting of Shareholders of Banca Intesa in 2020.

Information on the amount of benefits for the Board of Directors' members is published on the Bank's website www.bancaintesa.ru in the Information Disclosure section.

The Payment and benefits policy of Banca Intesa adopted by the Board of Directors on September 30, 2019, Protocol No.6/2019, sets out the principles and the basic elements of the Bank's remuneration of labor for employees. The approval of the Payment and benefits policy is included in the responsibilities of the Board of Directors.

The Payment policy was developed towards:

- consistency with the long-term strategies and objectives of the Intesa Sanpaolo Group;
- links to the business results of the Intesa Sanpaolo Group;
- all the assumed risk types;
- matching the capital and liquidity positions required to carry out activities;
- the structure, excluding unreasonable incentives (remuneration) which might result in the violation of the rules or assumption of excessive risks;
- consistency with the provisions of the applicable laws of the Russian Federation.

The remuneration system of the Bank includes the fixed and the variable part of the total income.

The ratio of the fixed and variable parts in the structure of the total income varies depending on the position, specific responsibility, and risk level for the Bank resulting from the employee's activities.

The variable part of the employees' total income depends on the results of their activity, including the negative financial consequences arising in connection with the realization of assumed risks.

Pursuant to the Payment and benefits policy of Banca Intesa, the following performance indicators are set as minimum conditions for the payment of bonuses:

- ▶ CET1 — Common Equity Tier equates at least to the RAF-induced limit (RAF — Risk Appetite Framework), in accordance with the Bank's regulations on risk-appetite;
- ▶ NSFR — Net Stable Funding Ratio equates at least to the RAF-induced limit in accordance with the Bank's regulations on risk-appetite;
- ▶ No loss or total gross profit before income tax on continuing operations, net proceeds from repurchase of the Bank's own liabilities, income from fair value revaluation of the Bank's liabilities from non-recurrent operations (according to IFRS).

REMUNERATION TO THE BOARD MEMBERS OF BANCA INTESA IN 2019

Remuneration types	Amount, RUB ¹	Description
Short-term benefits		
Fixed remuneration	56,658,533.36	Fixed remuneration paid — office salaries, compensation, incentive and social payments not related to performance results.
Variable remuneration	5,733,081.00	Variable remuneration paid — compensation and incentive payments related to performance results.
Other remunerations including in other forms	2,694,171.05	
Social security allowances	6,884,949.02	
Long-term remuneration	859,962.00	Long-term remuneration paid in the reported year.
The total sum of the deferred long-term remunerations of members of the Board for 2019	0	Deferred remuneration shall be paid in cash throughout 2020-2022 and shall be adjusted up to nil.

REMUNERATION TO OTHER EMPLOYEES ACCEPTING RISKS OF BANCA INTESA FOR 2019

Remuneration types	Amount, RUB ¹	Description
Short-term benefits		
Fixed remuneration	113,065,070.49	Fixed remuneration paid — office salaries, compensation, incentive and social payments not related to performance results.
Variable remuneration	0	Variable remuneration paid — compensation and incentive payments related to performance results.
Other remunerations including in other forms	3,833,939.10	
Social security allowances	18,184,890.50	
Long-term remuneration	0	Long-term remuneration paid in the reported year.
The total sum of deferred long-term remuneration to other employees accepting risks for 2019	0	Deferred remuneration shall be paid in cash throughout 2020-2022 and shall be adjusted up to nil.

¹ Remuneration amounts are given in this section according to the information of the annual financial statements of Banca Intesa for 2019.

According to the 2019 results, there were no adjustments in the deferred part of remuneration for members of the Board of Directors and other employees accepting risks.

In 2019, RUB 2,464,470.16 of severance was paid to employees accepting risks. No severance payments were made to members of the Board of Directors in 2019.

No early payments of long-term remuneration at dismissal were made in 2019.

LARGE TRANSACTIONS

In 2019, the Bank did not conduct any transactions recognized as major transactions in accordance with Federal Law No.208-FZ "On Joint-Stock Companies" as well as other transactions governed by the Bank Charter's regulations on major transactions.

RELATED PARTY TRANSACTIONS

On April 01, 2019, at the Annual General Shareholders' Meeting, a decision was made to approve related party transactions that might be effected by the Bank in the normal course of business in 2019 within the approved limits, prices or rates, and in the absence of such limits – at the market prices and rates for similar transactions.

The specified decision on the approval of related party transactions covered the transactions with the following contractors:

- ◆ Intesa Sanpaolo S.p.A.;
- ◆ Banca IMI;
- ◆ Intesa Sanpaolo Bank Luxemburg S.A.;
- ◆ Intesa Sanpaolo Holding International S.A.;
- ◆ Intesa Sanpaolo Bank Ireland PLC;
- ◆ Pravex Bank;
- ◆ Intesa Sanpaolo Group Services S.c.p.A.;
- ◆ Intesa Sanpaolo Card Ltd. (ISPC);
- ◆ Privredna banka Zagreb;
- ◆ JSC Intesa Leasing.

A reference to the information disclosed by Banca Intesa in the form of quarterly reports and communications on corporate events in accordance with the provisions of the Regulation of the Bank of Russia No. 454-P "On Information Disclosure by Securities Issuers" at the internet-page of Interfax Corporate Information Disclosure Center <http://www.e-disclosure.ru/portal/company.aspx?id=1891>, and on the Bank's official website <http://www.bancaintesa.ru/ru/about/disclosure/>.

REPORT ON DIVIDENDS PAYOUT

In 2019, the Annual General Meeting of Shareholders decided not to declare or pay the Bank's shareholders dividends on ordinary stocks for 2018.

INFORMATION ON VOLUMES OF USED ENERGY RESOURCES

Information on volumes of energy resources used in 2019 in physical and in monetary terms:

No.	Description	Unit	Quantity	Amount, RUB
1	Water	m ³	5,710.10	287,899.54
2	Electric power	kW	2,510,488.52	16,682,402.15
3	Thermal energy	Gk	1,677.81	2,947,410.77
4	Petrol	L	15,737.74	744,149.97
5	Diesel	L	935.00	44,298.55

The image is a vertical composition. The top half is a solid dark blue gradient. The bottom half is a photograph of a hillside town at night, split vertically. The left side of the town is overlaid with a semi-transparent blue filter, while the right side is shown in its natural, warm-toned lighting. The town consists of numerous stone buildings built on a steep slope, with some lights glowing from windows and street lamps. The sky above the town is a mix of dark blue and orange, suggesting a sunset or sunrise.

Development
prospects
in 2020

Development prospects in 2020



CORPORATE BLOCK DEVELOPMENT

The Bank will continue across 2020 the course on strengthen ties with key relationship accounts in the Russian Federation, with the aim of broadening the base of portfolio products offered and supporting clients on a 360 degrees basis.

Looking ahead, Corporate Department aims at deepening the focus on product delivery, leveraging the expertise and tight cooperation with Intesa Sanpaolo. As a fact, in 2019 an ad-hoc Corporate Business Solutions Department was set up, charged with the responsibility to implement effective and innovative service propositions, along with supporting Relationship Manager teams in broadening the scope of product offering.

A key role across all foreseeable time frames in the growth roadmap of Corporate Department is played by Trade Finance, where Banca Intesa can extend the significant track-record of Intesa Sanpaolo. Paramount attention is being dedicated to structured working capital advisory and financing; origination, advisory and execution of documentary products; and delivery of structured banking products, including project financing and structured export financing.

DEVELOPING THE SME BUSINESS SECTOR

In 2020, SME crediting dynamics will be predominantly shaped by the development of SME state support programs and improved terms of loan and depository products offered to customers.

Under the Subsidy Program implemented by the Ministry of Economic Development of the Russian Federation, it is planned to increase loans to SMEs up to RUB 8 billion.

The accreditation of Banca Intesa under the guarantee-based mechanism without double underwriting with SME Corporation as well as the optimization of transaction review procedures, including the introduction of simplified due diligence procedures for SME clients, will set a positive trend in SME lending.

One of the priorities is to modernize documentary products in order to increase fee revenues. Expanded product range, shorter transaction decision-making time, and optimized account opening procedures will attract new clients in 2020.

In 2020, it is planned to hold strategic sessions with SME clients in the Bank's major regions of presence. These events are planned to be held jointly with institutions providing state support for small and medium enterprises (SME Corporation, regional SME support funds, OPORA RUSSIA, Business RUSSIA, Agency for Strategic Initiatives (ASI)).

RETAIL BUSINESS DEVELOPMENT

In 2020, it is planned to strengthen synergy with the corporate and SME clients by strengthening cross-sales and acquiring corporate businesses as Private banking clients.


There are a number of joint projects with Intesa Sanpaolo Private banking scheduled.

The Bank also plans to expand its geographical presence and open a new branch for Private client servicing in Yekaterinburg.

TRADE FINANCE DEVELOPMENT

In 2020, the Bank plans to further strengthen and develop cooperation with export credit agencies (ECAs) and export-import banks from different countries, international banks, other financial institutions and organizations, including with the aim of obtaining credit facilities on the terms favorable for the Bank and raising funds for implementation of various projects.

The plans for 2020 also include development of documentary business and trade finance products, expansion of the range of international financing products, effecting transactions of syndicated pre-export lending, establishment and development of cooperation with state organizations aimed at the Bank's participation into the Russian products' export support programs.



Report on
Compliance with
the Principles and
Recommendations
of the Corporate
Governance Code

Report on Compliance with the Principles and Recommendations of the Corporate Governance Code

This Report on Compliance with the Principles and Recommendations of the Corporate Governance Code was examined by the Board of Directors of Banca Intesa (hereinafter referred to as the «Bank») at a meeting held on February 26, 2020, Protocol No.2/2020 dd. March 3, 2020.

The Board of Directors confirms that the data herein is a complete and accurate representation of the company's compliance with the principles and recommendations of the Corporate Governance Code 2019.

Table 1. Report on Compliance with the Principles and Recommendations of the Corporate Governance Code

No.	Corporate Governance Principles	Evaluation Criteria for Compliance with a Corporate Governance Principle	Status of Compliance with a Corporate Governance Principle	Reasons for Deviation from the Evaluation Criteria for Compliance with a Corporate Governance Principle
1	2	3	4	5
1.1	The company shall ensure equal and fair attitude towards all its shareholders in the exercise of their rights to participate in the company's management.			
1.1.1	The company shall provide as favourable environment as possible to the shareholders to ensure their participation in the General Meeting, an environment to develop a reasonable position regarding the General Meeting agenda items, coordination of its measures, and it shall provide opportunities to share ideas regarding any issues under consideration.	<ol style="list-style-type: none"> 1. The company's internal document governing the General Meeting procedures approved by the General Shareholders' Meeting shall be available to public. 2. The company provides accessible ways of communication with itself, such as a hotline, email, or a web forum where the shareholders may share their opinions and enquire about the agenda in the run-up to the General Meeting. The company took the above measures prior to each General Meeting held during the reporting period. 	Compliance	<ol style="list-style-type: none"> 1. The Bank does not have an internal document governing the General Shareholders' Meeting procedures. The Bank shall convene and hold the General Shareholders' Meeting in compliance with the relevant legislation and its Charter. Bank's Charter is placed in open access. 2. The Bank provides shareholders with an easy way of communication with the Bank on a permanent basis via e-mail ensuring feedback with the Bank when making up the agenda in the course of preparing to the general meeting.
1.1.2	The procedure for convening the General Meeting and providing materials for the General Meeting enables the shareholders to be duly prepared for their participation.	<ol style="list-style-type: none"> 1. A notification about a General Meeting shall be published on the website at least 30 days prior to the General Meeting date. 2. Such notification shall include the indication of the place for the meeting to be held, and the documents required for admittance to the location. 3. The shareholders were notified of the persons advancing agenda items and nominating candidates for the company's Board of Directors and Revision Committee. 	Compliance	The Bank shall convene and hold the General Shareholders' Meeting in compliance with the relevant legislation and its Charter. In accordance with Changes No. 1 to the Bank Charter, a notification about the General Shareholders' Meeting with relevant materials attached to it shall be sent to the shareholders within a reasonable time for delivery, but in any case no less than 21 days.

Continuation of Table 1

1	2	3	4	5
1.1.3	In the run-up to the General Meeting, the shareholders had full and timely access to the information about the meeting and its materials, were able to submit enquiries to the company's executive bodies and members of the Board of Directors, as well as to communicate with each other.	<p>1. During the reporting period, the shareholders were able to submit enquiries to the members of the executive bodies and Board of Directors of the company prior to and during the Annual General Meeting.</p> <p>2. The Board of Directors' position (including the minority opinions registered in the Minutes) regarding each agenda item of the General Meetings held during the reporting period was included in the materials for the General Shareholders' Meeting.</p> <p>3. The company provided its eligible shareholders with access to the list of shareholders entitled to participate in the General Meeting from the date it was received by the company in all cases of holding General Meetings in the reporting period.</p>	Compliance	
1.1.4	Shareholder's right to call for a General Meeting, nominate candidates to the executive bodies, and propose General Meeting agenda items was not unreasonably encumbered.	<p>1. During the reporting period, the shareholders were able to propose agenda items for the Annual General Meeting within at least 60 days following the end of the relevant calendar year.</p> <p>2. During the reporting period, the company did not reject any agenda items or nominees to the executive bodies due to misprints or other insignificant shortcomings in a shareholder's proposal.</p>	Compliance	In accordance with Changes No. 1 to the Bank Charter, agenda items for the General Shareholders' Meeting are proposed in compliance with Clause 53.1 of the Federal Law On Joint-Stock Companies and drafted in compliance with Clauses 53.3 and 53.4 of the Federal Law On Joint-Stock Companies within two months following the end of the reporting year.
1.1.5	Each shareholder had an unhindered opportunity to exercise his voting right as he found convenient.	The company's internal document (internal policy) enables each participant of the General Meeting to request a copy of the bulletin, filled in by him and verified by the accounts board before the end of the relevant General Meeting.	Partial compliance	Each participant of the General Meeting may, before the end of the relevant General Meeting, request a copy of the bulletin, filled in by him and verified by the accounts board, however, such right is not registered in the Bank's documents.

Continuation of Table 1

1	2	3	4	5
1.1.6	The company's procedure governing the General Meetings provides for equal opportunities for all General Meeting attendees to share their opinions and pose any questions of their concern.	<p>1. The General Shareholders' Meetings held during the reporting period in the form of a meeting (joint presence of the shareholders) provided for sufficient time for reports and discussions of the agenda items.</p> <p>2. The nominees to the executive and control bodies of the company were available to answer the shareholders' questions at the meeting where their nomination was put to vote.</p> <p>3. The Board of Directors, in making decisions regarding the preparation and holding of General Shareholders' Meetings, considered the use of telecommunication means to provide the shareholders with a remote access to the General Shareholders' Meetings during the reporting period.</p>	Compliance	Some nominees to the executive bodies were available to answer the shareholders' questions at the meeting where their nomination was put to vote through electronic communication means.
1.2	The shareholders were provided with equal and fair opportunity to take part in the company's profit through the receipt of dividends.			
1.2.1	The company developed and implemented a clear and transparent procedure governing the amount and payment of dividends.	<p>1. A dividend policy was developed, approved by the Board of Directors, and disclosed.</p> <p>2. Where the company's dividend policy is based on the company's statements to determine the amount of dividends, then the relevant provisions of the dividend policy include the account consolidated financial statements.</p>	Compliance	<p>Pursuant to Article 6 of the Bank's Charter, the General Shareholders' Meeting determines the amount, form and procedure for payment of dividends as proposed by the Board of Directors.</p> <p>Additionally, when recommending dividend payments, the Board of Directors of the Bank considers all the circumstances affecting the dividend payment decision.</p>
1.2.2	The company does not declare any dividends where such dividends, though formally in compliance with legal restrictions, are not feasible and may create a misleading image of company's business.	The company's dividend policy has clear indications of financial and economic situation when the company shall not pay any dividends.	Compliance	The Bank does not have a dividend policy as a separate document, however the Bank's decision (declaration) to pay dividends is based on the Bank's performance indicators and dividend restrictions set by the relevant legislation of the Russian Federation.
1.2.3	The company does not deteriorate the existing shareholders' rights to dividends.	During the reporting period, the company did not take any actions that would deteriorate existing shareholders' rights to dividends.	Compliance	
1.2.4	The company seeks to prevent an opportunity for the shareholders to receive profit (income) at the company's expense other than dividends and liquidation value.	For the purposes of preventing an opportunity for the shareholders to receive profit (income) at the company's expense other than dividends and liquidation value, the company's internal documents provide for a control mechanism that ensures timely detection and approval procedure for transactions with persons that are affiliated to (related to) the existing shareholders (persons entitled to manage the votes embedded in the voting shares), where the law does not formally recognize such transactions as related party transactions.	Compliance	The internal documents do not provide for such principle, but the principle is implemented in practice.

Continuation of Table 1

1	2	3	4	5
1.3	The Corporate Governance system and practice provide for equitable treatment of all shareholders holding shares of one category (type), including the minority (minor) shareholders and foreign shareholders, as well as equal attitude towards them on the part of the company.			
1.3.1	The company created an environment of equitable treatment of each shareholder by the executive bodies and supervisors of the company, including conditions that eliminate any abuse by the major shareholders with regard to minor shareholders.	During the reporting period, the procedures governing potential conflicts of interests of the existing shareholders proved efficient, and the Board of Directors paid due attention to any conflicts between the shareholders (if any).	Compliance	
1.3.2	The company does not take any actions that result or may result in an artificial redistribution of the corporate control.	There are no quasi-treasury shares and they did not vote during the reporting period.	Compliance	
1.4	The shareholders have reliable and efficient ways of accounting the shareholding rights and opportunities for free and unencumbered disposal of their shares.			
1.4.1	The shareholders have reliable and efficient ways of accounting the shareholding rights and opportunities for free and unencumbered disposal of their shares.	The quality and reliability of the manner that the company's registrar keeps the shareholder registry in comply with the demands of the company and its shareholders.	Compliance	
2.1	The Board of Directors carries out strategic management of the company, defines basic principles and approaches to the company's risk management and internal control systems, controls the company's executive bodies' activities, and performs other key functions.			
2.1.1	The Board of Directors is in charge of appointing and dismissal of executives, including due to appointees' failure to perform their functions. The Board of Directors also controls the executive bodies' compliance with the approved development strategy and the company's main businesses.	1. The Charter provides for the authority of the Board of Directors to appoint and dismiss persons, and to determine agreement terms regarding the executive body members. 2. The Board of Directors considered the report(s) of the chief executive officer and members of the collective executive body regarding the implementation of the company's strategy.	Compliance	
2.1.2	The Board of Directors sets main long-term guidelines for the company's activities, assesses and approves key performance indicators and main business goals of the company, assesses and approves the strategy and business plans of the company's main businesses.	During the reporting period, the Board of Directors considered the issues of strategy implementation and updating, approval of company's financial and economic plan (budget), and considered the implementation criteria and indicators (including interim) of the company's strategy and business plans.	Compliance	
2.1.3	The Board of Directors determines the principles and approaches to the organisation of risk management and internal control system of the company.	1. The Board of Directors has determined the principles and approaches of organisation of the risk management and internal control system of the company. 2. The Board of Directors assessed the company's risk management and internal control system during the reporting period.	Compliance	

Continuation of Table 1

1	2	3	4	5
2.1.4	The Board of Directors determines the company's remuneration and/or compensation policy for the members of the Board of Directors, executive bodies and other key executives of the company.	<p>1. The company has developed and implemented the remuneration and compensation policy (policies) approved by the Board of Directors for the members of the Board of Directors, executive bodies of the company and other key executives of the company.</p> <p>2. During the reporting period, the Board of Directors considered issues related to the policy (policies).</p>	Compliance	<p>The Board of Directors' remuneration and compensation regulation is approved by the Shareholders' Meeting of the Bank.</p> <p>The Board of Directors approves remuneration documents for the members of the Bank's Management Board, risk accepting employees and internal control employees.</p>
2.1.5	The Board of Directors plays a key role in preventing, eliminating and managing internal conflicts between the company's bodies, shareholders and employees.	<p>1. The Board of Directors plays a key role in preventing, eliminating and managing internal conflicts.</p> <p>2. The company created a system to identify transactions related to conflicts of interests and a system of actions to resolve such conflicts.</p>	Compliance	
2.1.6	The Board of Directors plays a key role in ensuring the company's transparency, timely and full disclosure of its information, shareholders' unencumbered access to the company's documents.	<p>1. The Board of Directors approved the information policy.</p> <p>2. The company has persons in charge of implementing the information policy.</p>	Compliance	
2.1.7	The Board of Directors controls the company's Corporate Governance practices and plays a key role in essential corporate events of the company.	During the reporting period, the Board of Directors considered the company's Corporate Governance practices.	Compliance	
2.2	The Board of Directors reports to the company's shareholders.			
2.2.1	The information about the Board of Directors' activities shall be disclosed to the shareholders.	<p>1. The company's annual statement for the reporting period shall include individual Directors' attendance of the Board of Directors and committee meetings.</p> <p>2. The annual statement has the information about main results of the Board of Directors' activities during the reporting period.</p>	Compliance	The Bank's annual statement for the reporting period does not include detailed information about individual Directors' attendance of the Board of Directors and committee meetings, however, the shareholders may have access to this information.
2.2.2	The Chairman of the Board of Directors is available for communication with the company's shareholders.	The company has a transparent procedure enabling the shareholders to submit their enquiries and related opinions to the Chairman of the Board of Directors.	Compliance	The shareholders may submit their enquiries and related opinions to the Chairman of the Board of Directors, including through representatives in the Board of Directors, however, this principle aren't fixed in a special document.

Continuation of Table 1

1	2	3	4	5
2.3	The Board of Directors is an effective and professional management body of the company, which is able to make impartial and independent estimations and decisions in the interests of the company and its shareholders.			
2.3.1	Only persons with an impeccable business and personal reputation, knowledge, skills and experience necessary for making any decisions within the competence of the Board of Directors and required to ensure its efficient functioning, may be elected as members of the Board of Directors.	<ol style="list-style-type: none"> 1. The company's procedure for assessing the efficiency of the Board of Directors' activities includes, among other things, assessing professional qualifications of the members of the Board of Directors. 2. During the reporting period, the Board of Directors (or its Nomination Committee) assessed the nominees to the Board of Directors in terms of their experience, knowledge, business reputation, absence of conflicts of interests, etc. 	Compliance	<p>The Board of Directors' performance is assessed at the Annual General Shareholders' Meeting without recording the results as a report. The Shareholders consider all circumstances that affect decisions and comply with the interests of the company and the Shareholders, including the assessment of professional qualifications of the members of the Board of Directors.</p> <p>During the reporting period, the Board of Directors did not assess the nominees to the Board of Directors in terms of their experience, knowledge, business reputations, absence of conflicts of interests, etc., as such assessment is made by the shareholders themselves.</p>
2.3.2	Members of the Board of Directors are elected under a transparent procedure that provides the shareholders with sufficient information about nominees' personal and professional qualities.	In all cases of the General Shareholders' Meeting during the reporting period, where the agenda included the election of the Board of Directors, the company provided the shareholders with biographies of all the nominees to the Board of Directors, their assessments provided by the Board of Directors (or its Nomination Committee), and the information regarding the nominees' compliance with independence criteria subject to recommendations 101-107 of the Code, and nominees' written consent to their nomination to the Board of Directors.	Compliance	The Board of Directors / Nomination Committee did not assess the nominees to the Board of Directors. The assessment was carried out by the Bank's shareholders.
2.3.3	The membership of the Board of Directors is balanced, including in terms of its members' qualifications, experience, knowledge, and business qualities, the members of the Board of Directors enjoy shareholders' trust.	As part of the assessment of the Board of Directors' activities during the reporting period, the Board of Directors analysed its demands for professional qualifications, experience and business skills.	Compliance	<p>The efficiency of the Board of Directors' activities is assessed by the Bank's shareholders.</p> <p>Based on the results of 2019, a self-assessment of the integrity and feasibility of the Board members was conducted in accordance with the recommendations of the Bank of Russia for self-assessment of the performance of the Board of Directors in public joint-stock companies and financial organizations.</p>

Continuation of Table 1

1	2	3	4	5
2.3.4	A number of the members of the Board of Directors of the company provides for organizing its activities in as efficient manner as possible, including creation of the Board of Directors' committees, and enables significant minority shareholders of the company to elect the members of the Board of Directors for whom they vote.	As part of the assessment of the Board of Directors made during the reporting period, the Board of Directors discussed whether the number of the members of the Board of Directors complies with the company's and shareholders' interests.	Compliance	The number of members of the Board of Directors is determined by the Bank's shareholders. No self-assessment of the Board of Directors was performed during the reporting period.
2.4	The Board of Directors has a sufficient number of independent directors.			
2.4.1	An independent director is a director with professional skills, experience and discretion sufficient to create own opinion, able to make reasonable and bona fide judgments, independent of the influence of the company's executive bodies, separate shareholder groups or interested parties. Given the above, note that in ordinary circumstances a nominee (elected member of the Board of Directors) may not be deemed independent where it is related to the company, its essential shareholder, essential counterparty or the company's competitor, or related to the government.	During the reporting period, all independent members of the Board of Directors were in compliance with the independence criteria listed in recommendations 102-107 of the Code, or were deemed independent by the Board of Directors.	Compliance	
2.4.2	Nominees to the Board of Directors are assessed for compliance with the independence criteria, independent members of the Board of Directors are assessed for compliance with the independence criteria on regular basis. The content of such assessment shall prevail over its form.	<p>1. During the reporting period, the Board of Directors (or its Nomination Committee) drafted an opinion regarding independence of each nominee to the Board of Directors and submitted it to the shareholders.</p> <p>2. During the reporting period the Board of Directors (or its Nomination Committee) checked the existing members of the Board of Directors for independence at least once, which members are indicated as independent directors in the company's annual statement.</p> <p>3. The company has procedures provide for a member of the Board of Directors to take action where it ceases to be independent, including its responsibility to timely notify the Board of Directors thereof.</p>	Not observed	This standard is not stipulated by the Bank's Charter and internal regulations.
2.4.3	Independent directors constitute not less than one third of the elected members of the Board of Directors.	Independent directors constitute not less than one third of the members of the Board of Directors.	Compliance	
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and carrying out the company's essential corporate actions.	Independent directors (with no conflict of interests) make a preliminary assessment of essential corporate actions related to potential conflicts of interests, and the assessment results are submitted to the Board of Directors.	Partial compliance	Essential corporate actions are notified to all members of the Board of Directors of the Bank at the same time, the norms of the Bank's internal documents governing conflict of interest prevention are applied.

Continuation of Table 1

1	2	3	4	5
2.5	The Chairman of the Board of Directors contributes to the most effective performance of the Board of Directors' functions.			
2.5.1	The Chairman of the Board of Directors is an elected independent director, or a senior independent director is determined among the elected independent directors, who coordinates the work of independent directors and interacts with the Chairman of the Board of Directors.	<ol style="list-style-type: none"> 1. The Chairman of the Board of Directors is an independent director, or a senior independent director is determined among the independent directors. 2. The role, rights and responsibilities of the Chairman of the Board of Directors (or, where applicable, of the senior independent director) are duly determined in the company's internal documents. 	Partial compliance	The Chairman of the Board of Directors is not independent, the senior independent director was not elected in 2019 since the expediency of this action is not obvious to the Bank — the opinion of each of the directors is important to the Board of Directors. If there is a reasonable need, this approach may be changed.
2.5.2	The Chairman of the Board of Directors ensures a practical environment for the meetings, free discussions of the issues on the agenda, controls compliance with the decisions made by the Board of Directors.	The Chairman of the Board of Directors' performance is assessed as part of the Board of Directors' performance assessment procedure for the reporting period.	Compliance	
2.5.3	The Chairman of the Board of Directors takes reasonable measures to ensure that the members of the Board of Directors are promptly provided with the information enabling them to make decisions on the agenda items.	The Chairman of the Board of Directors' responsibility to ensure that the members of the Board of Directors are promptly provided with the materials regarding the agenda items of the meeting of the Board of Directors is recorded in the company's internal documents.	Compliance	
2.6	The members of the Board of Directors act in good faith and reasonably in the interests of the company and its shareholders based on sufficient information with due care and diligence.			
2.6.1	The members of the Board of Directors make decisions based on all available information, in absence of a conflict of interests, taking into account equitable treatment of each shareholder of the company, as part of an ordinary business risk.	<ol style="list-style-type: none"> 1. The company's internal documents provide that a member of the Board of Directors shall notify the Board of Directors should it have a conflict of interests regarding any agenda item of a Board of Directors or its committee meetings before discussing a relevant agenda item. 2. The company's internal documents provide that a member of the Board of Directors shall not vote on any issues where it has a conflict of interests. 3. The company has a procedure that enables the Board of Directors to receive professional advice regarding the issues within its competence at the cost of the company. 	Compliance	
2.6.2	The rights and responsibilities of the Board of Directors are clearly defined and recorded in the company's internal documents.	The company has an approved and published internal document that clearly defines the rights and responsibilities of the Board of Directors.	Compliance	

Continuation of Table 1

1	2	3	4	5
2.6.3	The members of the Board of Directors have sufficient time to perform their responsibilities.	<p>1. Individual attendance of the Board and committee meetings, and the time spent in the run-up to the meetings was taken into account as part of the procedure for assessing the Board of Directors during the reporting period.</p> <p>2. Pursuant to the company's internal documents, the members of the Board of Directors shall notify the Board of Directors on their intention to become a member of the executive bodies of other entities (other than the company's controlled and dependent entities), and on such actual appointment.</p>	Compliance	
2.6.4	All members of the Board of Directors have equal access to the documents and information of the company. New elected members of the Board of Directors are provided with sufficient information on the company and the Board of Directors' activities as soon as possible.	<p>1. Pursuant to the company's internal documents, the members of the Board of Directors may access the documents and make enquiries regarding the company and its controlled entities, and the company's executive bodies shall provide relevant information and documents.</p> <p>2. The company has a formalized introduction programme for new members of the Board of Directors.</p>	Partial compliance	Newly elected members of the Board of Directors are introduced to the Bank's activities; in particular, they are provided with induction materials, including the Bank's constituent and regulatory documents governing the activities of management bodies.
2.7	Meetings of the Board of Directors, preparation for them and participation of the members of the Board of Directors in such meetings ensures effective activity of the Board of Directors.			
2.7.1	Board of Directors meetings are held as necessary given the scope of the company's activities and current tasks for the period.	The Board of Directors held at least six meetings during the reporting year.	Compliance	
2.7.2	The company's internal documents govern the preparation of the Board of Directors meetings so as to enable the members of the Board of Directors to be duly prepared for the meeting.	The company has an approved internal document governing the preparation and holding of the Board of Directors meetings, including a provision that such meetings shall be held with at least a 5-day prior notification.	Compliance	Pursuant to the Bank's internal documents, the Board of Directors meetings are held at least with a 30-day prior notification to the members of the Board of Directors of the Bank, the distribution of materials for study shall take place at least 8 days prior to conduction of the meeting.
2.7.3	The form of the Board of Directors meetings depends on the importance of the agenda items. The most important issues are resolved at the Board of Directors meetings held in presence.	The company's Charter or internal document provides that the most important issues (as listed in Recommendation 168 of the Code) shall be resolved at in presence meetings of the Board.	Compliance	The Charter or internal documents do not provide for such principle, but the principle is implemented in practice.
2.7.4	Decisions on the most important issues of the company's business are made at the Board of Directors meetings by a qualified majority or the majority vote of all elected members of the Board of Directors.	The company's Charter provides that decisions on the most important issues listed in Recommendation 170 of the Code shall be made at the Board of Directors meetings by a qualified majority with a no less than three fourths of the votes, or the majority vote of all elected members of the Board of Directors.	Compliance	

Continuation of Table 1

1	2	3	4	5
2.8	The Board of Directors shall establish committees for preliminary examination of the most important issues of the company's activities.			
2.8.1	An Audit Committee of independent directors was set up for the purposes of preliminary examination of the issues related to the control over financial and operational company's activities.	<ol style="list-style-type: none"> The Board of Directors set up an Audit Committee exclusively of independent directors. The company's internal documents set Audit Committee's tasks, including the tasks listed in Recommendation 172 of the Code. At least one member of the Audit Committee being an independent director is experienced and knowledgeable in terms of preparation, analysis, assessment and audit of accounting (financial) statements. Audit Committee meetings were held at least on quarterly basis during the reporting period. 	Partial compliance	In accordance with the Regulation on the Bank's Audit Committee, the Committee is comprised of specialists from the Bank's parent company who have the required qualification for engaging into accounting, finance and/or management activity.
2.8.2	For the purposes of preliminary consideration of the issues related to the creation of an efficient and transparent remuneration practice, a Remuneration Committee was set up of independent directors, headed by an independent director other than the Chairman of the Board of Directors.	<ol style="list-style-type: none"> The Board of Directors created a Remuneration Committee set up exclusively independent directors. The Chairman of the Remuneration Committee is an independent director other than the Chairman of the Board of Directors. The company's internal documents set Remuneration Committee's tasks, including the tasks listed in Recommendation 180 of the Code. 	Compliance	In 2019, the Remuneration Committee was established with its activities regulated by the Bank's internal document. The Remuneration Committee shall perform preliminary consideration of the remuneration of the Company's executive bodies and other key executives of the Bank and submit decision-making recommendations to the Board of Directors.
2.8.3	For the purposes of preliminary examination of the issues related to personnel planning (succession planning), professional membership and efficiency of the Board of Directors, a Nomination (Appointment, Staff) Committee was created with independent directors being a majority of the committee.	<ol style="list-style-type: none"> The Board of Directors created a Nomination Committee (its tasks listed in Recommendation 186 of the Code are implemented within another committee) whose majority are independent directors. The company's internal documents set Nomination Committee's tasks (or the tasks of a relevant committee with joint functions), including the tasks listed in Recommendation 186 of the Code. 	Partial compliance	The issues of professional membership and efficiency of the Board of Directors of the Bank are determined by the Bank's shareholder, a Nomination Committee was not created.
2.8.4	Given the scope of business and risk level, the Board of Directors of the company ensured that the membership of its committees is in full compliance with the company's targets. Additional committees were either set up or were deemed unnecessary (Strategy Committee, Corporate Governance Committee, Ethics Committee, Risk Management Committee, Budgeting Committee, HSE Committee etc.).	During the reporting period, the Board of Directors considered whether the membership of its committees corresponds to the tasks of the Board of Directors and the company's business goals. Additional committees were set up or deemed unnecessary.	Compliance	As necessary, the Board of Directors considers and makes decisions regarding compliance of its committee memberships to the tasks of the Board of Directors and Bank's business goals.

Continuation of Table 1

1	2	3	4	5
2.8.5	Committee members are appointed with a view to ensure broad discussion of pre-considered issues and take into account various opinions.	<ol style="list-style-type: none"> 1. Committees of the Board of Directors are headed by independent directors. 2. The company's internal document(s) provide that the persons who are not members of the Audit Committee, Nomination Committee and Remuneration Committee may attend committee meetings only on relevant committee Chairman's invitation. 	Partial compliance	<p>The Board of Directors set up only some of the committees recommended by the Code.</p> <p>However, the Board of Directors of the Bank includes persons with relevant accounting, financial and/or managing qualifications, which ensures broad discussion of issues under consideration given various opinions.</p>
2.8.6	Committee Chairmen inform the Board of Directors and its Chairman on their committees activities on regular basis.	During the reporting period, the Committee Chairmen reported on their committees activities to the Board of Directors on regular basis.	Compliance	
2.9	The Board of Directors provides for assessment of the quality of work of the Board of Directors, its committees and members of the Board of Directors.			
2.9.1	Assessment of the quality of the Board of Directors' activities is intended to define the efficiency of the activities of the Board of Directors, committees, members of the Board of Directors, compliance of their activity to the company's development needs, activate Board of Directors' activity and detect the areas of their potential improvement.	<ol style="list-style-type: none"> 1. Self-assessment or external assessment of the Board of Directors made during the reporting period included the assessment of the activities of the Board of Directors, individual members of the Board of Directors, and the Board of Directors as a whole. 2. The self-assessment or external assessment results of the Board of Directors made during reporting period were considered at the meeting of the Board of Directors in presence. 	Compliance	
2.9.2	The activities of the Board of Directors, committees, and members of the Board of Directors are assessed on regular basis no less than once a year. An independent assessment of the quality of the Board of Directors activities involve an external entity (advisor) no less than once every three years.	The independent assessment of the quality of the Board of Directors activities involved an external entity (advisor) at least once during the last three reporting periods.	Partial compliance	The quality of activities is assessed by the Bank's shareholders without involving an external entity (advisor).
3.1	The company's Corporate Secretary is in charge of efficient current interaction with the shareholders, coordination of the company's shareholders interest and right protection activities, contribution to Board of Directors' efficient activity.			
3.1.1	The Corporate Secretary has sufficient knowledge and experience to perform its responsibilities, has an impeccable reputation and enjoys shareholders' trust.	<ol style="list-style-type: none"> 1. The company has an approved and disclosed internal document – Corporate Secretary Regulation. 2. The company's web-site and annual statements provide Corporate Secretary's biography in as much detail as the biographies of the members of the Board of Directors, and company's executives. 	Partial compliance	There is no title of Corporate Secretary in the Bank. Functions of a corporate secretary are performed by the employees of Legal Department. Employees appointed as secretaries for Board of Directors, Management Board and committees of the Bank have necessary skills, knowledge and qualification.

Continuation of Table 1

1	2	3	4	5
3.1.2	The Corporate Secretary is sufficiently independent of the company's executive bodies and has necessary power and resources to perform its tasks.	The Board of Directors approves the appointment, discharge from office and additional remuneration of the Corporate Secretary.	Partial compliance	The Bank's unit in charge of the Corporate Secretary's functions was conferred the functions subject to the Corporate Governance Code recommendations and has sufficient resources to perform its functions. No additional remuneration is paid.
4.1	The remuneration amount paid by the company is sufficient to attract, motivate and retain the persons with competences and qualifications required by the company. Remuneration to the members of the Board of Directors, executive bodies and other key executives of the company is paid in accordance with the company's remuneration policy.			
4.1.1	The remuneration amount provided by the company to the members of the Board of Directors, executives and other key executives creates sufficient motivation to ensure their efficiency, and attract and retain competent and qualified professionals to the company. At the same time, the company avoids excessive remuneration amounts and unreasonable gap between the remunerations of the above persons and company's employees.	The company has an internal document(s) – a remuneration policy (policies) for the members of the Board of Directors, executive bodies and other key executives, with clear approaches to such remuneration.	Compliance	
4.1.2	The company's remuneration policy was developed by the Remuneration Committee and approved by the Board of Directors of the company. The Board of Directors supported by the Remuneration Committee ensures control over the implementation of the company's remuneration policy, and, where necessary, revises and amends it.	During the reporting period, the Remuneration Committee considered the remuneration policy (policies) and its (their) implementation practices and advised the Board of Directors as necessary.	Compliance	
4.1.3	The company's remuneration policy has transparent mechanisms to define the remuneration amount for the members of the Board of Directors, executive bodies and other key executives of the company, and governs all types of payments, privileges and exemptions provided to such persons.	The company's remuneration policy (policies) has transparent mechanisms to define the remuneration amount for the members of the Board of Directors, executive bodies and other key executives of the company, and governs all types of payments, privileges and exemptions provided to such persons.	Compliance	
4.1.4	The company sets a compensation policy with a list of expenses to be compensated, and the service level that may be sought by the members of the Board of Directors, executive bodies and other key executives of the company. Such policy may be part of the company's remuneration policy.	The company's remuneration policy (policies) or other internal documents set the rules of compensating the expenses of the members of the Board of Directors, executive bodies and other key executives of the company.	Compliance	

Continuation of Table 1

1	2	3	4	5
4.2	The remuneration system for the members of the Board of Directors ensures alignment of Directors' financial interests with shareholders' long-term financial interests.			
4.2.1	The company pays a fixed annual remuneration to the members of the Board of Directors. The company does not pay a remuneration for participation in individual meetings of the Board of Directors or its committees. The company does not apply any forms of short-term motivation and additional financial incentives to the members of the Board of Directors.	A fixed annual remuneration was a single monetary remuneration to the members of the Board of Directors for their work in the Board of Directors during the reporting period.	Compliance	
4.2.2	Long-term shareholding is the key factor aligning the financial interests of the members of the Board of Directors with the long-term interests of the shareholders, the company not conditioning the share sale rights by achieving certain performance indicators, and the members of the Board of Directors do not participate in option programmes.	Where, subject to the company's internal document(s) – remuneration policy (policies) provides (provide) that the members of the Board of Directors may be granted company shares, such granting shall be governed by clear and disclosed shareholding rules for the members of the Board of Directors intended to stimulate long-term holding of such shares.	Compliance	The Bank does not have an implemented option programme.
4.2.3	The company does not provide for any additional payments or compensations in case of early termination of the powers of the members of the Board of Directors due to the shift of control over the company or any other circumstances.	The company does not provide for any additional payments or compensations in case of early termination of the powers of the members of the Board of Directors due to the shift of control over the company or any other circumstances.	Compliance	The Bank does not provide for any additional payments or compensations in case of early termination of the powers of a member of the Board of Directors due to the shift of control over the Bank or any other circumstances.
4.3	The system of remuneration of the members of the executive bodies and other key executives of the company ensures dependence of the remuneration on company's results and their personal contribution to such results.			
4.3.1	The remuneration to the members of the executive bodies and other key executives of the company is defined so as to ensure reasonable and justified correlation between the fixed and variable parts of the remuneration depending on company's results and employee's personal (individual) contribution to the final result.	<ol style="list-style-type: none"> 1. During the reporting period, the annual performance indicators approved by the Board of Directors were used to define the amount of the variable remuneration of the members of the executive bodies and other key executives of the company. 2. In making the last assessment of the remuneration system for the members of the executive bodies and other key executives of the company, the Board of Directors (Remuneration Committee) ascertained that the company applies an efficient correlation between the fixed and variable parts of remuneration. 3. The company has a procedure ensuring that any unjustified bonuses received by the members of the executive bodies and other key executives of the company are returned to the company. 	Compliance	

Continuation of Table 1

1	2	3	4	5
4.3.2	The company implemented a long-term motivation programme for the members of the executive bodies and other key executives of the company using company shares (options or other derivatives with the underlying asset being company shares).	<p>1. The company implemented a long-term motivation programme for the members of the executive bodies and other key executives of the company using company shares (financial instruments based on company shares).</p> <p>2. The long-term motivation programme for the members of executive bodies and other key executives of the company provides that the right to sale shares and other financial instruments regarding the programme occurs only three years after they have been granted or later. Moreover, the right to implement them is determined by the achievement of certain performance indicators of the company.</p>	Non-compliance	Bank's internal documents do not provide a long-term motivation programme for the members of executive bodies and other key executives of the company given changes in the share price.
4.3.3	The compensation amount (golden parachute), paid by the company in case of early termination of the powers of the members of executive bodies and other key executives on company's initiative and in absence of any fraud on their part, shall not exceed the double amount of the axed part of the annual remuneration.	The compensation amount (golden parachute), paid by the company in case of early termination of the powers of the members of executive bodies and other key executives on company's initiative and in absence of any fraud on their part, did not exceed the double amount of the axed part of the annual remuneration in the reporting period.	Non-compliance	No compensation amount (golden parachute), paid by the Bank in case of early termination of the powers of the members of executive bodies and other key executives of the company on company's initiative and in absence of any fraud on their part is provided for by the Bank's internal regulations.
5.1	The company has an efficient functioning risk management and internal control system intended to ensure reasonable assurance of achieving the company's goals.			
5.1.1	The company's Board of Directors determined the principles and approaches to organising risk management and internal control system in the company.	The functions of company's various executive bodies and units in the risk management and risk control system are clearly defined in company's internal documents / relevant policy approved by the Board of Directors.	Compliance	
5.1.2	The company's executive bodies ensure the creation and maintenance of an efficient risk management and internal control system in the company.	The company's executive bodies ensured the distribution of functions and powers regarding risk management and internal control among their subordinate heads of units and departments.	Compliance	
5.1.3	The company's risk management and internal control system ensures an objective, fair and clear view of company's current status and perspectives, integrity and transparency of company's statements, soundness and acceptability of the risks assumed by the company.	<p>1. The company has an approved anti-corruption policy.</p> <p>2. The company has an available way of notifying the Board of Directors or its Audit Committee on violations of law, internal procedures, and the Code of Ethics of the company.</p>	Compliance	<p>The Board of Directors has approved internal documents determining the measures aimed at forming the elements of corporate culture, rules and procedures eliminating corrupt practices.</p> <p>The above standards are set in the Corporate Conduct Code and the Code of Corporate Ethics.</p>

Continuation of Table 1

1	2	3	4	5
5.1.4	The company's Board of Directors takes necessary measures to ensure that the company's existing risk management and internal control system complies with the Board approved principles and approaches to its organization and functions efficiently.	During the reporting period, the Board of Directors or its Audit Committee assessed the efficiency of company's risk management and internal control system. The major assessment results are included in company's annual statement.	Compliance	
5.2	A systematic independent assessment of reliability and effectiveness of the risk management and internal control system and the corporate governance practice requires that the company sets up internal audit.			
5.2.1	For the purposes of internal audit, the company created a dedicated unit or involved an independent external entity. Functional and administrative accountability of the internal audit unit are delimited. Functionally, the internal audit unit reports to the Board of Directors.	For the purposes of internal audit, the company set up a dedicated internal audit unit functionally subordinate to the Board of Directors or the Audit Committee, or involved an independent external entity with on the same accountability terms.	Compliance	The Bank set up an Internal Audit Department.
5.2.2	The Internal Audit Department assesses the efficiency of the internal control system, risk management system and corporate governance system. The company applies generally accepted business standards related to internal audit.	<ol style="list-style-type: none"> 1. During the reporting period, the efficiency of the internal control and risk management system was assessed as part of internal audit. 2. The company applies generally accepted approaches to internal control and risk management. 	Compliance	
6.1	The company and its business are transparent for the shareholders, investors and other stakeholders.			
6.1.1	The company has a developed and implemented information policy ensuring the efficient informational interaction between the company, its shareholders, investors and other stakeholders.	<ol style="list-style-type: none"> 1. The company's Board of Directors approved the company's information policy developed in line with the Code recommendations. 2. The Board of Directors (or one of its committees) considered the issues of company's compliance with its information policy at least once during the reporting period. 	Partial compliance	In 2019, the Board of Directors of the Bank did not consider any issues related to the Bank's compliance with its information policy.
6.1.2	The company discloses the information on the corporate governance system and practice, including the details of compliance with the Code recommendations and principles.	<ol style="list-style-type: none"> 1. The company discloses the information on the company's corporate governance system and general principles of governance system applied in the company, including through its web-site. 2. The company discloses the information on the membership of its executive bodies and the Board of Directors, independence of the members of the Board and their membership in Board of Directors committees (as defined in the Code). 3. In case of an entity controlling the company, the company publishes a memorandum of the controlling entity regarding such entity's plans with regard to corporate governance in the company. 	Compliance	The Bank does not publish a memorandum of the controlling entity regarding such entity's plans with regard to corporate governance in the Bank. This approach may be changed if reasonably needed.

Continuation of Table 1

1	2	3	4	5
6.2	The company makes a timely and complete disclosure of up-to-date and true information on the company to enable the shareholders and investors to make reasonable decisions.			
6.2.1	The company discloses information in accordance with the principles of regularity, consistency, and promptitude, as well as comprehensibility, accuracy, completeness and comparability of the data disclosed.	<ol style="list-style-type: none"> 1. The company's information policy sets approaches and criteria of identifying information that can have a significant impact on the value of the company and its securities, and the procedures ensuring timely disclosure of such information. 2. Where company's securities are traded on foreign organized markets, essential information is disclosed on synchronized and equivalent basis both in Russia and such markets during a reporting year. 3. Where foreign shareholders hold an essential amount of the company shares, then such information is disclosed both in Russian and one of the most widely spread foreign languages during a reporting year. 	Compliance	
6.2.2	The company avoids a formalistic approach in disclosing its information, and discloses essential information on its activities, even if such disclosure is not required by law.	<ol style="list-style-type: none"> 1. During the reporting period, the company disclosed its annual and semi-annual IFRS financial statements. The company's annual statements for the reporting period include annual IFRS financial statements with an audit report attached. 2. The company discloses full information on its capital structure subject to Recommendation 290 of the Code in its annual statement and company's web-site. 	Compliance	
6.2.3	The annual statement being one of the most important means of communication with the shareholders and other interested parties enables them to assess the company's results for the year.	<ol style="list-style-type: none"> 1. The company's annual statement discloses the key aspects of company's operations and financial results. 2. The company's annual statement discloses information on environmental and social aspects of company's operations. 	Compliance	
6.3	The company provides its information and documents on shareholders' request in accordance with the principle of equal accessibility and convenience.			
6.3.1	The company provides its information and documents on shareholders' request in accordance with the principle of equal accessibility and convenience.	The company's information policy determines a convenient procedure to provide its shareholders, on their request, with access to information, including the information on the legal entities controlled by the company.	Compliance	

Continuation of Table 1

1	2	3	4	5
6.3.2	The company provides its shareholders with any information ensuring reasonable balance between the interests of particular shareholders and those of the company itself, as the company is interested in maintaining confidentiality of essential commercial information that might have a significant impact on its competitiveness.	<ol style="list-style-type: none"> 1. During the reporting period, the company did not reject its shareholders' requests for information, or such rejections were reasonable. 2. Where the company's information policy so requires, the shareholders are notified that the information is confidential and that they are liable for maintaining its confidentiality. 	Compliance	
7.1	Any actions with a significant or potentially significant impact on the company's capital structure and financial position and, accordingly, shareholders' position (major corporate actions) are carried out on fair terms ensuring compliance with the rights and interests of the shareholders and interested parties.			
7.1.1	Major corporate actions are reorganization of the company, acquisition of no less than 30% of the company voting shares (merger), significant deals transacted by the company, increase or decrease in the company's charter capital, listing or delisting of the company shares, and any other actions that may result in significant changes in shareholders' rights or in violation of their interests. The company's Charter lists the transactions or other actions (their criteria) that are significant corporate actions, and such actions are classified as the competence of the company's Board of Directors.	<ol style="list-style-type: none"> 1. The company's Charter lists transactions or other actions that are major corporate actions and the defining criteria. Decisions on major corporate actions are the competence of the Board of Directors. Where law, directly or indirectly, classifies such actions as the competence of the General Shareholders' Meeting, the Board of Directors advises the shareholders accordingly. 2. The company's Charter classifies as major corporate actions at least the following: reorganisation of the company, acquisition of no less than 30% of the company's voting shares (merger), significant transactions made by the company, increase or decrease in company's charter capital, listing and delisting company's shares. 	Compliance	Part of the above issues are classified by the Russian legislation and the Bank's Charter not as the competence of the Board of Directors but as the competence of the General Shareholders' Meeting of the Bank. In submitting any issues for consideration by the General Shareholders' Meeting, including major corporate actions, the Board of Directors advises the shareholders accordingly.
7.1.2	The Board of Directors plays a key role in making decisions or advising on major corporate actions, the Board of Directors relies on the position of the company's independent directors.	The company has a procedure whereby the independent directors notify their position on major corporate actions prior to their approval.	Partial compliance	This principle is actually applied but the procedure is not formalized. The Bank has approved internal documents governing the procedure for the preparation and holding of the Board of Directors meetings, including a provision requiring that meetings are held at least with a 10-day prior notification. This requirement enables independent directors to declare their position on major corporate actions prior to their approval.

End of Table 1

1	2	3	4	5
7.1.3	Major corporate actions affecting shareholders' rights and legal interests are carried out ensuring equitable conditions for all company shareholders, and where legal procedures are insufficient to protect shareholders' rights, additional measures are taken to protect company shareholders' rights and legal interests. In this case the company is governed both by formal legal requirements and the corporate governance principles set in the Code.	<ol style="list-style-type: none"> 1. The Charter of the company, taking into account the peculiarities of its activity, establishes lower than the minimum criteria for classifying the transactions of the company as a significant corporate action than provided by law. 2. During the reporting period, all major corporate actions underwent the approval procedure prior to their approval. 	Partial compliance	<p>In 2019, the Bank did not carry out any major corporate actions.</p> <p>The Bank's Charter does not have any criteria to classify transactions as major corporate actions but the Bank is governed by the applicable law.</p> <p>This approach may be changed if reasonably needed.</p>
7.2	The company provides such a procedure for major corporate actions, which allows timely obtaining by shareholders of full information on such actions, provides for their ability to influence effecting such actions and guarantees observation of the adequate level of protection of their rights in performing such actions.			
7.2.1	The information on carried out major corporate actions is disclosed with the reasons, terms and consequences of such actions.	During the reporting period, the company makes timely and detailed disclosure of the information on company's major corporate actions, including their reasons and time frames.	Compliance	
7.2.2	The rules and procedures governing company's major corporate actions are set in company's internal documents.	<ol style="list-style-type: none"> 1. The company's internal documents provide for a procedure for attracting an independent assessor to define the value of the property sold or bought in a major transaction or in a transaction of interest. 2. The company's internal documents provide for a procedure for attracting an independent assessor to evaluate the cost of acquisition or repurchase of company shares. 3. Internal documents of the company provide an extended list of reasons for recognizing members of the Board of Directors of the company and other statutorily required persons as having a stake in transactions of the company. 	Partial compliance	<p>The Bank carries out transactions of interest as part of ordinary business in accordance with current market conditions without attracting an independent assessor.</p> <p>The Bank's internal documents do not provide for an extended list of reasons for classifying the members of the Board of Directors of the Bank and other persons identified by the legislation as interested in the company's transactions. Approval and notification of these transactions are carried out in accordance with the current legislation of the Russian Federation.</p>



Financial
statements

Consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

1	2019, RUB'000 2	2018, RUB'000 3
Assets		
Cash and cash equivalents	4 009 397	5 100 550
Mandatory cash balances with the Central Bank of the Russian Federation	456 035	386 641
Amounts due from credit institutions	10 769 894	9 982 367
Investment securities	4 100 334	4 079 778
Derivative financial assets	40 009	5 359
Loans to customers:	41 173 529	35 179 162
• loans to large corporate customers	25 061 258	19 969 618
• loans to small and medium corporate customers	14 453 529	13 495 829
• loans to retail customers	1 658 742	1 713 715
Net investments in finance leases	1 200 286	1 375 770
Property and equipment, including right-of-use assets	1 572 159	714 450
Intangible assets	386 597	447 402
Deferred income tax assets	306 207	373 559
Other assets	1 174 243	1 999 981
Total assets	65 188 690	59 645 019
Liabilities		
Amounts due to credit institutions	13 006 561	10 467 555
Derivative financial liabilities	1 347	4
Amounts due to customers:	35 157 410	29 965 165
• legal entities, state and non-profit organizations	19 889 609	18 010 679
• individuals	15 267 801	11 954 486
Debt securities issued	–	3 059 954
Subordinated loan	2 523 507	2 828 605
Lease liabilities	620 560	–
Other liabilities	539 419	711 623
Total liabilities	51 848 804	47 032 906
Equity		
Share capital	10 820 181	10 820 181
Other capital reserves	1 803 914	1 803 914

	1	2	3
Revaluation reserve for debt investment securities		15 342	(14 783)
Revaluation reserve for buildings		402 377	134 724
Accumulated profit (loss)		298 072	(131 923)
Total equity		13 339 886	12 612 113
Total equity and liabilities		65 188 690	59 645 019

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro




Chairman of the Management Board

Tatyana Pavlycheva

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR 2019

1	2019, RUB'000 2	2018, RUB'000 3
Interest income, calculated using effective interest rate method		
Loans to customers	3 287 506	3 458 951
Amounts due from credit institutions	364 259	533 701
Debt investment securities	280 616	258 378
	3 932 381	4 251 030
Other interest income		
Net investments in finance leases	225 826	239 050
	4 158 207	4 490 080
Interest expense		
Amounts due to customers	(816 026)	(898 276)
Amounts due to credit institutions	(377 876)	(247 964)
Debt securities issued	(231 550)	(301 713)
Subordinated loan	(170 386)	(165 046)
Lease liabilities	(55 856)	–
	(1 651 694)	(1 612 999)
Net interest income		
	2 506 513	2 877 081
Changes in allowance for credit losses on interest-bearing financial assets	(189 966)	(433 404)
Net interest income after allowance for credit losses for interest-bearing financial assets		
	2 316 547	2 443 677
Fee and commission income	1 397 304	1 932 895
Fee and commission expense	(126 352)	(126 919)
Net fee and commission income		
	1 270 952	1 805 976
Net losses from investment securities	(640)	(319)
Net gains from foreign currencies:		
• dealing	595 453	(228 142)
• translation differences	(298 329)	345 734
Net losses from other operating activities	(102 247)	(67 463)
Operating income		
	3 781 736	4 299 463
Personnel expenses	(1 623 778)	(1 650 260)
Other general administrative expenses	(1 053 984)	(1 242 159)
Depreciation and amortization	(585 926)	(412 266)
Other allowance for credit losses	18 374	47 099
Profit before income tax		
	536 422	1 041 877
Income tax expense	(106 427)	(172 556)
Profit for the year		
	429 995	869 321

	1	2	3
Other comprehensive income (loss) for the year			
Items that are or may be reclassified subsequently to profit or loss:			
Revaluation reserve for debt investment securities:			
• net change in fair value		29 591	(40 993)
• net amount transferred to profit or loss		534	266
		30 125	(40 727)
Items that will not be reclassified to profit or loss:			
Revaluation of buildings		267 653	(249 420)
Total other comprehensive income (loss) for the year, net of income tax		297 778	(290 147)
Total comprehensive income for the year		727 773	579 174

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Tatyana Pavlycheva

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR 2019

	Share capital	Other capital reserves	Revaluation reserve for debt investment securities	Revaluation reserve for buildings	Accumulated profit (losses)	Total equity
1	2	3	4	5	6	7
Balance as at 31 December 2017 (before transition to IFRS 9)	10 820 181	1 803 914	22 802	384 144	(586 463)	12 444 578
Impact of adopting IFRS 9 as at 1 January 2018	–	–	3 142	–	(414 781)	(411 639)
Balance as at 1 January 2018	10 820 181	1 803 914	25 944	384 144	(1 001 244)	12 032 939
Total comprehensive income						
Profit for the year	–	–	–	–	869 321	869 321
Other comprehensive loss						
Items that are or may be reclassified subsequently to profit or loss:						
Revaluation of debt investment securities:						
• Net change in fair value, net of deferred tax of RUB 10 248 thousand	–	–	(40 993)	–	–	(40 993)
• Net amount transferred to profit or loss, net of deferred tax of RUB 67 thousand	–	–	266	–	–	266
	–	–	(40 727)	–	–	(40 727)
Items that will not be reclassified to profit or loss:						
Revaluation of buildings, net of deferred tax of RUB 62 355 thousand	–	–	–	(249 420)	–	(249 420)
Total other comprehensive loss	–	–	(40 727)	(249 420)	–	(290 147)
Total comprehensive income for the year	–	–	(40 727)	(249 420)	869 321	579 174
Balance as at 31 December 2018	10 820 181	1 803 914	(14 783)	134 724	(131 923)	12 612 113
Total comprehensive income						
Profit for the year	–	–	–	–	429 995	429 995
Other comprehensive income						
Items that are or may be reclassified subsequently to profit or loss:						
Revaluation of debt investment securities:						
• Net change in fair value, net of deferred tax of RUB 7 398 thousand	–	–	29 591	–	–	29 591
• Net amount transferred to profit or loss, net of deferred tax of RUB 134 thousand	–	–	534	–	–	534
	–	–	30 125	–	–	30 125

	1	2	3	4	5	6	7
Items that will not be reclassified to profit or loss							
Revaluation of buildings, net of deferred tax of RUB 66 913 thousand		-	-	-	267 653	-	267 653
Total other comprehensive income		-	-	30 125	267 653	-	297 778
Total comprehensive income for the year		-	-	30 125	267 653	429 995	727 773
Balance as at 31 December 2019		10 820 181	1 803 914	15 342	402 377	298 072	13 339 886

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Chairman of the Management Board

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Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2019

1	2019, RUB'000 2	2018, RUB'000 3
Cash flows from operating activities		
Interest received	4 017 947	4 402 207
Interest paid	(1 570 558)	(1 597 981)
Fees and commissions received	2 263 066	912 675
Fees and commissions paid	(126 352)	(129 966)
Net receipts (payments) for dealing in foreign currencies	562 145	(233 496)
Net payments for other operating activities	(95 703)	(5 746)
Personnel expenses paid	(1 627 919)	(1 665 777)
Other general administrative expenses paid	(1 016 727)	(1 251 204)
Cash flows from operating activities before changes in operating assets and liabilities	2 405 899	430 712
Net (increase) decrease in operating assets		
Mandatory cash balances with the Central Bank of the Russian Federation	(68 852)	(87 662)
Amounts due from credit institutions	(1 745 551)	4 285 686
Loans to customers	(7 823 805)	(5 208 888)
Net investments in finance leases	160 257	(43 711)
Other assets	(253 545)	156 349
Net increase(decrease) in operating liabilities		
Amounts due to credit institutions	3 176 835	3 711 611
Amounts due to customers	6 704 960	(1 931 517)
Other liabilities	97 897	(45 507)
Net cash provided from operating activities before income tax paid	2 654 095	1 267 073
Income tax paid	(61 859)	(55 486)
Net cash flows provided from operating activities	2 592 236	1 211 587
Cash flows from investing activities		
Purchase of property and equipment	(105 311)	(76 662)
Proceeds from sale of property and equipment	1 650	400
Purchase of intangible assets	(154 205)	(95 723)
Purchase of investment securities	(7 391 954)	(4 642 945)
Proceeds from sale and redemption of investment securities	7 400 980	4 608 540
Net cash flows used in investing activities	(248 840)	(206 390)

	1	2	3
Cash flows from financing activities			
Repayment of lease liabilities		(213 640)	–
Repayment of debt securities issued		(3 000 000)	(130 643)
Net cash flows used in financing activities		(3 213 640)	(130 643)
Effect of exchange rates changes on cash and cash equivalents		(220 909)	339 701
Net (decrease) increase in cash and cash equivalents		(1 091 153)	1 214 255
Cash and cash equivalents as at the beginning of the year		5 100 550	3 886 295
Cash and cash equivalents as at the end of the year		4 009 397	5 100 550

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro



Chairman of the Management Board

Tatyana Pavlycheva



Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

The complete text of the consolidated financial statement and the auditors' report is available in the relevant sections of the bank's website www.bancaintesa.ru.

Annual accounting (financial) statements (RAS)

BALANCE SHEET FOR 2019 (PUBLISHED FORM)

Form Code by OKUD 0409806

Quarterly (Annual)

Line No.	Item	As for the reporting period, RUB'000	As for the corresponding period of the last year, RUB'000
1	2	3	4
I. Assets			
1	Cash	639 130	770 401
2	Credit institution's balances with the Central Bank of the Russian Federation	1 966 852	2 973 381
2.1	Mandatory reserves	456 035	387 183
3	Due from credit institutions	1 926 100	1 941 449
4	Financial assets at fair value through profit or loss	38 349	–
5	Net loans receivables at amortised cost	53 039 682	×
5a	Net loans receivables	×	44 649 476
6	Net investments in financial assets at fair value through other comprehensive income	4 100 334	×
6a	Net investments in securities and other financial assets available-for-sale	×	4 079 779
7	Net investments in securities and other financial assets at amortised cost (except for loans receivables)	×	×
7a	Net investments in securities held to maturity	–	–
8	Investments in subsidiaries and associates	3 000	3 000
9	Current income tax asset	4 303	33 045
10	Deferred tax asset	475 397	697 604
11	Fixed assets, intangible assets and inventories	1 469 184	1 236 219
12	Non-current assets held for sale	201 513	201 263
13	Other assets	663 652	1 448 018
14	Total assets	64 527 496	58 033 635
II. Liabilities			
15	Loans, deposits and other amounts due to the Central Bank of the Russian Federation	3 515 419	2 141 046
16	Customers accounts at amortised cost	47 289 604	41 134 268
16.1	Due to credit institutions	12 000 235	11 103 706
16.2	Customers accounts (non-credit institutions)	35 289 369	30 030 562
16.2.1	Deposits (funds) of individuals, including deposits of individual entrepreneurs	16 361 673	12 898 957
17	Financial liabilities at fair value through profit or loss	–	–

1	2	3	4
17.1	Deposits (funds) of individuals, including deposits of individual entrepreneurs	–	–
18	Issued debt instruments	–	3 064 920
18.1	at fair value through profit or loss	–	–
18.2	at amortised cost	–	3 064 920
19	Current income tax liabilities	15 754	5 378
20	Deferred tax liabilities	249 713	41 189
21	Other liabilities	266 177	564 364
22	Provisions for possible losses on credit related commitments, other possible losses and for transactions with offshore	82 181	76 170
23	Total liabilities	51 418 848	47 027 335
III. Sources of equity			
24	Shareholders' (participants') equity	10 820 181	10 820 181
25	Treasury shares	–	–
26	Share premium	–	–
27	Reserve fund	21 364	260 927
28	Revaluation at fair value of financial assets measured at fair value through other comprehensive income, net of deferred tax liability (gross with deferred tax asset)	13 334	(17 671)
29	Fixed assets and intangible assets revaluation, net of deferred tax liability	450 078	182 426
30	Revaluation of long-term employee payables (receivables)	–	–
31	Revaluation of hedging instruments	–	–
32	Cash received in the form of grant financing (contribution to property)	–	–
33	Change in fair value of financial liability due to change in credit risk	–	–
34	Allowances for expected credit losses	2 509	–
35	Retained profit (loss)	1 801 182	(239 563)
36	Total sources of equity	13 108 648	11 006 300
IV. Offbalance sheet liabilities			
37	Credit institution's irrevocable liabilities	7 311 023	3 368 536
38	Guarantees and sureties issued by the credit institution	25 692 436	13 300 493
39	Non-credit commitments	65 571	9 657

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro




Chairman of the Management Board

Tatyana Pavlycheva

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

INCOME STATEMENT FOR 2019 (PUBLISHED FORM)

PART 1. PROFIT OR LOSS

Form Code by OKUD 0409807
Quarterly (Annual)

Line No.	Item	As for the reporting period, RUB'000	As for the corresponding period of the last year, RUB'000
1	2	3	4
1	Total interest income, including from:	3 945 930	4 138 596
1.1	Placement with credit institutions	364 473	534 061
1.2	Loans to customers (non-credit institutions)	3 300 841	3 346 156
1.3	Provision of financial lease services	–	–
1.4	Investments in securities	280 616	258 379
2	Total interest expense, including on:	1 619 516	1 634 688
2.1	Funds attracted from credit institutions	551 151	415 544
2.2	Funds attracted from customers (non-credit institutions)	837 067	921 772
2.3	Issued securities	231 298	297 372
3	Net interest income (negative interest margin)	2 326 414	2 503 908
4	Total change in provision for possible losses and allowance for expected credit losses on loans, outstanding loans and their equivalent, amounts on correspondent accounts, and on accrued interest income, including:	40 906	(14 375)
4.1	Change in provision for possible losses and allowance for expected credit losses on accrued interest income	23 023	83 406
5	Net interest income (negative interest margin) after provision for possible losses	2 367 320	2 489 533
6	Net income from transactions with financial assets at fair value through profit or loss	46 694	(8 600)
7	Net income from transactions with financial liabilities at fair value through profit or loss	–	–
8	Net income from transactions with securities at fair value through other comprehensive income	(640)	×
8a	Net income from transactions with securities available-for-sale	×	(318)
9	Net income from transactions with securities at amortised cost	–	×
9a	Net income from transactions with securities held to maturity	×	–
10	Net income from trading in foreign currency	511 211	(219 543)
11	Net income from foreign exchange translation	(289 617)	352 925
12	Net income from transactions with precious metals	–	–
13	Income from equity participation	–	–
14	Fee and commission income	1 326 703	1 804 433
15	Fee and commission expense	111 556	117 294
16	Change in provision for possible losses and allowance for expected credit losses on securities at fair value through other comprehensive income	1 102	×
16a	Change in provision for possible losses on securities available-for-sales	×	–
17	Change in provision for possible losses and allowance for expected credit losses on securities at amortised cost	–	×
17a	Change in provision for possible losses on securities held to sale	×	0
18	Change in allowance for other losses	(20 644)	31 552
19	Other operating income	230 847	285 114

1	2	3	4
20	Net income (expense)	4 061 420	4 617 802
21	Operating expense	3 365 732	4 121 113
22	Profit (loss) before taxation	695 688	496 689
23	Tax benefit (expense)	271 612	173 905
24	Profit (loss) from continuous operations	378 269	309 952
25	Profit (loss) from discontinued operations	45 807	12 832
26	Profit (loss) for the reporting period	424 076	322 784

PART 2. OTHER COMPREHENSIVE INCOME

Line No.	Item	As for the reporting period, RUB'000	As for the corresponding period of the last year, RUB'000
1	2	3	4
1	Profit (loss) for the reporting period	424 076	322 784
2	Other comprehensive income (loss)	×	×
3	Items, which are not reclassified to profit or loss, total, including:	334 565	(311 775)
3.1	change in fixed assets and intangible assets revaluation fund	334 565	(311 775)
3.2	change in payables (receivables) revaluation fund on postemployment defined benefit plans	–	–
4	Income tax, related to captions, which may not be reclassified to profit or loss	66 913	(62 355)
5	Other comprehensive income (loss), which may not be reclassified to profit or loss, net of tax	267 652	(249 420)
6	Items, which may be reclassified to profit or loss, total, including:	37 379	(50 592)
6.1	change in financial assets at fair value through other comprehensive income revaluation fund	37 379	×
6.1a	change in financial assets available-for-sale revaluation fund	×	(50 592)
6.2	change in financial liabilities at fair value through profit or loss revaluation fund	–	–
6.3	change in fund of cash flow hedge	–	–
7	Income tax, related to captions, which may be reclassified to profit or loss	7 476	(10 118)
8	Other comprehensive income (loss), which may be reclassified to profit or loss, net of tax	29 903	(40 474)
9	Other comprehensive income (loss), net of tax	297 556	(289 894)
10	Financial result for the reporting period	721 632	32 890

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro

Tatyana Pavlycheva



Chairman of the Management Board

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

STATEMENT OF CAPITAL ADEQUACY FOR RISK COVERAGE AS AT 01 JANUARY 2020 (PUBLISHED FORM)

SECTION 1. INFORMATION ON CAPITAL ADEQUACY

Form Code by OKUD 0409808
Quarterly (Annual)

Line No.	Instrument (item)	Value of instrument (amount of item) as at the reporting date. RUB'000	Value of instrument (amount of item) as at the beginning of the year. RUB'000
1	2	3	4
Base capital sources			
1	Total authorised capital and share premium, including that formed by:	10 820 181	10 820 181
1.1	ordinary shares (interest)	10 820 181	10 820 181
1.2	preference shares	–	–
2	Retained earnings (loss):	–	(562 347)
2.1	of previous years	–	(562 347)
2.2	of the reporting year	–	–
3	Reserve fund	21 364	260 927
4	Shares of authorised capital, subject to gradual elimination from equity calculation	not applicable	not applicable
5	Instruments of the base capital of subsidiaries owned by third parties	not applicable	not applicable
6	Base capital sources, total (1+/-2+3-4+5)	10 841 545	10 518 761
Indicators decreasing the amount of base capital sources			
7	The adjustment of the financial instrument cost	not applicable	not applicable
8	Goodwill, net of deferred tax liabilities	–	–
9	Intangible assets (excluding goodwill and servicing mortgage rights amounts), net of deferred tax liabilities	487 717	483 796
10	Deferred tax assets depending on the future profit	475 397	543 347
11	Cash flow hedging reserve	not applicable	not applicable
12	Underestablished impairment allowance	–	–
13	Income from securitization transactions	not applicable	not applicable
14	Gains and losses related to changes in credit risk for liabilities, at fair value	not applicable	not applicable
15	Defined benefit-plan assets	not applicable	not applicable
16	Investments in own shares (interest)	–	–
17	Mutual investments in base capital instruments of credit and financial institutions	not applicable	not applicable
18	Insignificant investments in base capital instruments of financial institutions	–	–
19	Significant investments in base capital instruments of financial institutions	3 000	3 000
20	Rights to service mortgage loans	not applicable	not applicable
21	Deferred tax assets not depending on future profit	–	–
22	Total amount of significant investments and deferred tax assets exceeding 15% of base capital, including:	–	–

1	2	3	4
23	Significant investments in base capital instruments of financial institutions	–	–
24	Rights to service mortgage loans	not applicable	not applicable
25	Deferred tax assets not depending on future profit	–	–
26	Other established by the Central Bank of the Russian Federation indicators that decrease the amount of sources of base capital	–	–
27	Negative amount of additional capital	–	–
28	Indicators that decrease the amount of base capital sources, total (sum of lines from 7 to 22, 26 and 27)	966 114	1 030 143
29	Base capital, total (lines from 6 to 28)	9 875 431	9 488 618
Sources of Additional capital			
30	Total instruments of the additional capital and share premium, including:	–	–
31	classified as capital	–	–
32	classified as liabilities	–	–
33	Instruments of additional capital, subject to gradual elimination from equity calculation	–	–
34	Instruments of additional capital of subsidiaries, owned by third parties, including:	not applicable	not applicable
35	Instruments of additional capital of subsidiaries, subject to gradual elimination from equity calculation	–	–
36	Sources of additional capital, total (the sum of lines 30, 33 and 34)	–	–
Indicators decreasing the amount of additional capital sources			
37	Investments in own additional capital instruments	–	–
38	Mutual investments in additional capital instruments of credit and financial institutions	not applicable	not applicable
39	Insignificant investments in additional capital instruments of financial institutions	not applicable	not applicable
40	Significant investments in additional capital instruments of financial institutions	–	–
41	Other indicators that decrease the amount of additional capital sources as established by the Central Bank	–	–
42	Negative amount of supplementary capital	–	–
43	Indicators decreasing sources of additional capital (sum of lines from 37 to 42)	–	–
44	Additional capital, total (line 36 – line 43)	–	–
45	Main capital, total (line 29 + line 44)	9 875 431	9 488 618
Sources of supplementary capital			
46	Instruments of the supplementary capital and share premium	3 365 860	3 260 696
47	Instruments of supplementary capital, subject to gradual elimination from equity calculation	–	–
48	Total subsidiaries' supplementary capital Instruments, owned by third parties, including:	not applicable	not applicable
49	Subsidiaries' supplementary capital instruments, subject to gradual elimination from equity calculation	not applicable	not applicable
50	Impairment allowance	not applicable	not applicable
51	Sources of supplementary capital, total (sum of lines 46, 47, 48 and 50)	3 365 860	3 260 696
Indicators that decrease the amount of supplementary capital sources			
52	Investments in own instruments of supplementary capital	–	–
53	Mutual investments in supplementary capital instruments of credit and financial institutions	not applicable	not applicable
54	Insignificant investments in supplementary capital instruments and other instruments that provide the overall capacity to cover financial institutions' losses	–	–

1	2	3	4
54a	investments in other instruments that provide the overall capacity to cover financial institutions' losses	–	–
55	Significant investments in supplementary capital instruments and other instruments that provide the overall capacity to cover financial institutions' losses	–	–
56	Other indicators decreasing the amount of supplementary capital sources established by the Bank of Russia, including:	–	–
56.1	receivables past due by more than 30 calendar days	–	–
56.2	excess of the total amount of loans, bank guarantees and sureties provided to own participants (shareholders) and insiders over its maximum amount	–	–
56.3	investments in construction, manufacture and purchase of fixed assets and inventories	–	–
56.4	difference between the actual share value, attributable to participants left from the organisation, and the value, at which the share was sold to another participant of the organisation	–	–
57	Indicators decreasing the sources of supplementary capital, total (the sum of lines from 52 to 56)	–	–
58	Supplementary capital, total (line 51 – line 57)	3 365 860	3 260 696
59	Equity, total (line 45 + line 58)	13 241 291	12 749 314
60	Risk-weighted assets:	×	×
60.1	Necessary for determination of base capital adequacy	82 806 594	72 587 080
60.2	Necessary for determination of main capital adequacy	82 806 594	72 587 080
60.3	Necessary for determination of equity adequacy	82 989 020	72 764 973
Equity adequacy indicators and markup to the regulatory required amount of equity, %			
61	Base capital adequacy (29/60.1)	11.9259	13.0720
62	Main capital adequacy (29/60.2)	11.9259	13.0720
63	Equity adequacy (59/60.3)	15.9555	17.5212
64	Markup to the required amount of regulatory capital, total, including:	6.7523	6.3898
65	Markup to maintain a statutory capital adequacy ratio	2.2500	1.8750
66	anticyclical markup	0.0023	0.0148
67	markup for banks' systematical importance	not applicable	not applicable
68	base capital available to maintain markups to the regulatory required amount of equity	5.9260	7.0720
Equity adequacy indicators, %			
69	Base capital adequacy	4.5000	4.5000
70	Main capital adequacy	6.0000	6.0000
71	Equity adequacy	8.0000	8.0000
Indicators, not exceeding stated levels of materiality, for a deduction of capital sources			
72	Insignificant investments in capital instruments and other instruments that provide the overall capacity to cover financial institutions' losses	–	–
73	Significant investments in base capital instruments of financial institutions	–	–
74	Rights to service mortgage loans	not applicable	not applicable
75	Deferred tax assets not depending on future profit	–	–
Restrictions on inclusion of impairment allowances in supplementary capital calculation			
76	Impairment allowances included in supplementary capital calculation in relation to positions included in credit risk calculation, which are subject to standardised approach	not applicable	not applicable

1	2	3	4
77	Limitations on including the amounts of impairment allowances in supplementary capital calculation under standardised approach	not applicable	not applicable
78	Impairment allowances included in supplementary capital calculation in relation to positions for credit risk calculation, for which the approach based on internal models is applied	not applicable	not applicable
79	Limitations on including the amounts of impairment allowances in supplementary capital calculation under the approach based on internal models	not applicable	not applicable
Instruments that are subject to gradual elimination from equity calculation (applicable from 1 January 2018 to 1 January 2022)			
80	Current limitation on inclusion of instruments, that are subjects to gradual elimination from equity calculation, in the structure of base capital sources	–	–
81	Instruments not included in the structure of base capital sources due to limitations	–	–
82	Current limitation on inclusion of instruments, that are subjects to gradual elimination from equity calculation, in the structure of additional capital sources	–	–
83	Instruments not included in the structure of additional capital sources due to limitations	–	–
84	Current limitation on inclusion of instruments, that are subjects to gradual elimination from equity calculation, in the structure of supplementary capital sources	–	–
85	Instruments not included in the structure of supplementary capital sources due to limitations	–	–

SECTION 4. MAIN FEATURES OF CAPITAL INSTRUMENTS

Line No.	Feature of instrument	Description of instrument feature	Description of instrument feature
1	2	3	4
1	Short firm name of the equity instrument issuer	Banca Intesa JSC	INTESA SANPAOLO BANK LUXEMBOURG S.A.
2	Instrument ID number	10302216B	not applicable
3	Applicable legislation	RUSSIAN FEDERATION	GRAND DUCHY OF LUXEMBOURG
3a	to other instruments that provide the overall capacity to cover losses	not applicable	not applicable
Regulatory conditions			
4	Level of capital, in which instrument is included during the "Basel III" transition period	not applicable	not applicable
5	Level of capital, in which instrument is included after the "Basel III" transition period	base capital	supplementary capital
6	Consolidation level, at which instrument is included in the capital	on individual basis and at the bank group level	on individual basis
7	Type of instrument	ordinary shares	subordinated loan (deposit, borrowing)
8	Value of instrument included in the capital calculation, RUB'000	10 820 181	2 476 228
9	Nominal value of Instrument	10 820 181 thousand RUB	40 000 thousand USD
10	Classification of instrument for the accounting purposes	share capital	liability at amortised cost
11	Instrument issue (attraction, placement) date	January 11, 2010	December 11, 2015
12	Available term to maturity for instrument	termless	term
13	Instrument maturity date	without time limitation	December 30, 2025
14	Available early redemption (offer) of instrument, agreed with the Bank of Russia	not applicable	yes

1	2	3	4
15	Initial date (dates) of probable rights execution for early redemption of instrument, conditions for such rights execution and the redemption amount	not applicable	an option of prepayment with the consent of the Bank of Russia
16	Subsequent date (dates) of rights execution for early redemption of instrument	not applicable	not applicable
Interests / dividends / coupon income			
17	Rate type of instrument	not applicable	fixed rate
18	Rate / Index used as the base for rate calculation	not applicable / not applicable	6.58 / not applicable
19	Existence of conditions for discontinuation of dividend payment on ordinary shares	not applicable	not applicable
20	Obligation to pay dividends	entirely at the discretion of the main credit institution and/or the bank group member	not applicable
21	Existence of conditions, envisaging the increase of payments on instrument or other incentives to long term redemption of instrument	no	not applicable
22	Nature of payments	non-cumulative	not applicable
23	Convertibility of instrument	not converted	converted
24	Conditions, under which instrument is converted	not applicable	in case of N1.1 decrease below 2 % or receipt of notification from DIA about the decision to implement bankruptcy prevention measures
25	Full or partial conversion	not applicable	full or partial
26	Conversion rate	not applicable	1
27	Compulsory conversion	not applicable	compulsory
28	The level of capital, in which the instrument is converted	not applicable	base capital
29	Instrument issuer's short firm name, into which the instrument is converted	not applicable	Banca Intesa JSC
30	The ability to write off instrument to cover losses	yes	no
31	Conditions, under which instrument is written-off	in case of equity decrease below the amount of the share capital	not applicable
32	Full or partial write-off	always partial	not applicable
33	Constant of temporary write-off	constant	not applicable
34	Recovery mechanism	not used	not applicable
34a	Subordination type	not applicable	not applicable

1	2	3	4
35	Subordination of the instrument	not applicable	yes
36	Compliance with the Regulatory requirements of the Bank of Russia #646-P and #509-P	yes	yes
37	Description of non-compliances	not applicable	not applicable

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro



Chairman of the Management Board

Tatyana Pavlycheva

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

STATEMENT OF CHANGES IN EQUITY OF THE CREDIT INSTITUTION (PUBLISHED FORM), RUB'000

Form Code by OKUD 0409810
Quarterly (Annual)

Line No	Item	Share capital	Treasury shares	Share premium	Revaluation of securities available for sale at fair value reduced by deferred tax liability (increased by deferred tax asset)
1	2	3	4	5	6
1	Data at the beginning of the previous reporting year	10 820 181	-	-	22 803
2	Impact of changes in accounting policy provisions	-	-	-	-
3	Impact of errors correction	-	-	-	-
4	Data at the beginning of the previous reporting year (adjusted)	10 820 181	-	-	22 803
5	Comprehensive income for the previous reporting period:				(40 474)
5.1	profit (loss)				
5.2	other comprehensive income				(40 474)
6	Stock issue:	-	-	-	-
6.1	par value	-	-	-	-
6.2	share premium	-	-	-	-
7	Treasury shares:	-	-	-	-
7.1	acquisitions	-	-	-	-
7.2	disposals	-	-	-	-
8	Change of fixed assets and intangible assets cost	-	-	-	-
9	Declared dividends and other payments to shareholders (participants):	-	-	-	-
9.1	for ordinary shares	-	-	-	-
9.2	for preferred shares	-	-	-	-
10	Other shareholders' (participants') contributions and distribution to shareholders (participants)	-	-	-	-
11	Other movements	-	-	-	-
12	Data for the respective prior year period	10 820 181	-	-	(17 671)
13	Data at the beginning of the reporting year	10 820 181	-	-	(17 671)
14	Impact of changes in accounting policy provisions	-	-	-	-
15	Impact of errors correction	-	-	-	-
16	Data at the beginning of the reporting year (adjusted)	10 820 181	-	-	(17 671)
17	Comprehensive income for the reporting period:				31 005
17.1	profit (loss)				
17.2	other comprehensive income				31 005
18	Stock issue:	-	-	-	-
18.1	par value	-	-	-	-
18.2	share premium	-	-	-	-
19	Treasury shares:	-	-	-	-
19.1	acquisitions	-	-	-	-
19.2	disposals	-	-	-	-

7	8	9	10	11	12	13	14	15
Revaluation of fixed assets and intangible assets multiplied by deferred tax liability	Increase (decrease) of liabilities (claims) on long term post-employment remunerations payable to employees at revaluation	Hedging instruments revaluation	Reserve fund	Grant funding (contributions into property)	Change in fair value of financial liability due to change in credit risk	Allowances for expected credit losses	Retained earnings (loss)	Total sources of equity
431 846	-	-	260 927	-	-	-	(562 347)	10 973 410
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
431 846	-	-	260 927	-	-	-	(562 347)	10 973 410
(249 420)	-	-	-	-	-	-	322 784	32 890
-	-	-	-	-	-	-	322 784	322 784
(249 420)	-	-	-	-	-	-	-	(289 894)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
182 426	-	-	260 927	-	-	-	(239 563)	11 006 300
182 426	-	-	260 927	-	-	-	(239 563)	11 006 300
-	-	-	-	-	-	3 611	1 377 106	1 380 717
-	-	-	-	-	-	-	-	-
182 426	-	-	260 927	-	-	3 611	1 137 543	12 387 017
267 652	-	-	-	-	-	(1 102)	424 076	721 631
-	-	-	-	-	-	-	424 076	424 076
267 652	-	-	-	-	-	(1 102)	-	297 555
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

1	2	3	4	5	6
20	Change of fixed assets and intangible assets cost		–	–	–
21	Declared dividends and other payments to shareholders (participants):		–	–	–
21.1	for ordinary shares		–	–	–
21.2	for preferred shares		–	–	–
22	Other shareholders' (participants') contributions and distribution to shareholders (participants)		–	–	–
23	Other movements		–	–	–
24	Data for the reporting period	10 820 181	–	–	13 334

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro



Chairman of the Management Board

Tatyana Pavlycheva

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

7	8	9	10	11	12	13	14	15
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	(239 563)	-	-	-	239 563	-
450 078	-	-	21 364	-	-	2 509	1 801 182	13 108 648

INFORMATION ON MANDATORY RATIOS, FINANCIAL LEVERAGE RATIO AND LIQUIDITY COVERAGE RATIO AS AT 01 JANUARY 2020 (PUBLISHED FORM)

SECTION 1. INFORMATION ON MANDATORY RATIOS OF THE CREDIT INSTITUTION (BANK GROUP)

Form Code by OKUD 0409813
Quarterly (Annual)

Line No.	Item	Actual value				
		As at the reporting date	As of one quarter before the reporting date	As of two quarters before the reporting date	As of three quarters before the reporting date	As of four quarters before the reporting date
1	2	3	4	5	6	7
Capital, RUB'000						
1	Base capital	9 875 431	9 842 843	9 822 454	9 801 308	9 488 618
1a	Base capital in case of full application of the expected credit loss model regardless of impact of transitional measures	9 875 431	9 842 843	9 822 454	9 801 308	
2	Main capital	9 875 431	9 842 843	9 822 454	9 801 308	9 488 618
2a	Main capital in case of full application of the expected credit loss model	9 875 431	9 842 843	9 822 454	9 801 308	
3	Equity	13 241 291	13 219 129	12 977 332	12 736 144	12 749 314
3a	Equity in case of full application of the expected credit loss model	14 237 323	14 316 974	14 127 539	13 944 103	
Risk-weighted assets, RUB'000						
4	Risk-weighted assets	82 989 020	69 807 223	67 577 659	64 855 664	72 764 973
Capital adequacy ratios, %						
5	Base capital adequacy ratio N1.1 (N20.1)	11.9259	14.1370	14.5740	15.1550	13.0720
5a	Base capital adequacy ratio in case of full application of the expected credit loss model	11.3330	13.3580	13.6910	14.1980	
6	Main capital adequacy ratio N1.2 (N20.2)	11.9259	14.1370	14.5740	15.1550	13.0720
6a	Main capital adequacy ratio in case of full application of the expected credit loss model	11.3330	13.3580	13.6910	14.1980	
7	Equity adequacy ratio N1.0 (N1cc, N1.3, N20.0)	15.9555	18.9370	19.2040	19.6380	17.5210
7a	Equity adequacy ratio in case of full application of the expected credit loss model	16.3050	19.3830	19.6420	20.1450	
Base capital markups (in percentage of risk-weighted assets), %						
8	Markup to maintain a statutory capital adequacy ratio	2.2500	2.1250	2.0000	1.8750	1.8750
9	Anticyclical markup	0.0023	0.0000	0.0060	0.0000	0.0148
10	Markup for systematical importance					
11	Markups to the regulatory required amount of equity, total (line 8 + line 9 + line 10)	2.2520	2.1250	2.0060	1.8750	1.8900
12	Base capital available to maintain markups to the regulatory required amount of equity	5.9260	8.1370	8.5740	9.1550	7.0720

1	2	3	4	5	6	7
Financial leverage ratio						
13	The amount of Balance sheet assets and off-balance claims at risk for purposes of financial leverage calculation, RUB'000	87 403 966	69 239 021	70 864 486	70 653 275	70 089 747
14	Bank financial leverage ratio (N1.4), bank group (N20.4), %	11.2986	14.2160	13.8610	13.8720	13.5340
14a	Financial leverage in case of full application of the expected credit loss model, %	10.9420	13.7320	13.3920	13.0100	
Short-term liquidity ratio						
15	Highly liquid assets, RUB'000					
16	Net expected cash outflow, RUB'000					
17	Short-term liquidity ratio N26 (N27), %					
Structural liquidity ratio (net stable funding ratio)						
18	Available stable funding (ASF), RUB'000					
19	Required stable funding (RFS), RUB'000					
20	Structural liquidity ratio (net stable funding ratio) N28 (N29), %					
Ratios limiting certain types of risks, %						
21	Bank instant liquidity ratio N2	56.5650	95.8530	87.3180	97.2120	66.0730
22	Bank current liquidity ratio N3	94.1280	75.7130	93.1180	81.4240	87.1800
23	Bank long-term liquidity ratio N4	91.9620	96.2040	83.4530	81.4430	69.1400
24	Ratio of maximum amount of risk per one borrower or a group of related borrowers N6 (N21)					
	max amount	18.7	19.5	19.9	20.3	21.8
	number of breaches	0	0	0	0	0
	duration	0	0	0	0	0
25	Ratio of maximum amount of major credit risks N7 (N22)	296.5310	216.2280	225.4950	218.1040	233.8530
26	Ratio of total amount of risk on bank insiders (N10.1)	0.2000	0.1980	0.2360	0.1870	0.2070
27	Equity utilization ratio for purchase of shares (interest) of other legal entities N12 (N23)	0.0000	0.0000	0.0000	0.0000	0.0000
28	Ratio of maximum proportion of the amount of risk for a related borrower (a group of related borrowers) N25					
	max amount	12.7	10.2	13.1	12.8	11.2
	number of breaches	0	0	0	0	0
	duration	0	0	0	0	0

SECTION 2. INFORMATION ON THE FINANCIAL LEVERAGE CALCULATION (N1.4)

Subsection 2.1. Calculation of the amount of Balance sheet assets and off-balance claims at risk for purposes of financial leverage calculation (N1.4)

Line No.	Item	Amount, RUB'000
1	2	3
1	Amount of the assets according to Balance sheet (published form), total:	64 527 496
2	Adjustment of investments in the capital of credit, financial, insurance and other organisations, reporting data of which are included in the consolidated financial statements, but are not included in equity calculation, mandatory standards and sizes (limits) of open currency position of the banking group	not applicable for the financial statements of credit institution as a legal entity
3	Adjustments of fiduciary assets recognised in accordance with accounting rules, but not included in the calculation of financial leverage indicators	0
4	Adjustment of derivative financial instruments (DFI)	9 865
5	Adjustment of securities lending transactions	0
6	Adjustment regarding matching to credit equivalent of credit related commitments	26 682 552
7	Other adjustments	3 815 947
8	The amount of Balance sheet assets and off-balance claims at risk, taking into account adjustments to calculate the financial leverage, total:	87 403 966

Subsection 2.2. Calculation of the financial leverage ratio (N1.4)

Line No.	Item	Amount, RUB'000
1	2	3
Risk on the Balance sheet assets		
1	Amount of Balance sheet assets, total:	61 639 314
2	Reducing adjustment by the sum of indicators to be taken in a decrease of the main capital sources' value	966 114
3	The amount of adjusted Balance sheet assets at risk (the difference between the lines 1 and 2), total:	60 673 200
Risk on the operations with DFI		
4	Current credit risk on DFI operations (net of variation margin and/or with netting of items, if applicable), total:	38 349
5	Potential credit risk per counterparty on DFI operations, total:	9 865
6	Adjustment in the sum of collateral nominal value on DFI transactions, to be written off from the Balance sheet	not applicable
7	Reducing adjustment for the variation margin listed in prescribed cases	0
8	Adjustment regarding the bank's claims – clearing participant to the central counterparty for the execution of customer transactions	0
9	Adjustment to take account of credit risk according to the basic assets of issued credit DFI	0
10	Reducing adjustment according to issued credit DFI	0
11	The amount of adjusted risk on DFI (the sum of lines 4, 5, 9 less lines 7, 8, 10), total:	48 214
Risk on securities lending transactions		
12	Claims on securities lending transactions (without netting), total:	0
13	Adjustment in the sum of monetary value's netting (claims and obligations) on securities lending transactions	0
14	The amount of credit risk per counterparty on securities lending transactions	0
15	The amount of credit risk on guarantee securities lending transactions	0
16	Claims on adjusted securities lending transactions (the sum of lines 12, 14, 15 less line 13), total:	0

1	2	3
Risk on credit related commitments		
17	Nominal value of the risk on credit related commitments, total:	30 310 169
18	Adjustment regarding the use of credit equivalent factors	3 627 617
19	The adjusted amount of risk on credit related commitments (difference between lines 17 and 18), total:	26 682 552
Capital and risk		
20	Base capital	9 875 431
21	The value of Balance sheet assets and off-balance claims at risk for the calculation of financial leverage ratios (the sum of lines 3, 11, 16, 19), total:	87 403 966
Financial leverage		
22	Bank financial leverage ratio (N1.4), bank group (N20.4), percentage (line 20 / line 21)	11.30

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro

Tatyana Pavlycheva



Chairman of the Management Board

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

CASH FLOW STATEMENT AS AT 01 JANUARY 2020 (PUBLISHED FORM)

Form Code by OKUD 0409814
Quarterly (Annual)

Line No.	Item	Cash flows for the reporting period, RUB'000	Cash flows for the respective reporting period of the year preceding the reporting year, RUB'000
1	2	3	4
1	Net cash received from (used in) operating activities		
1.1	Funds received from (used in) operating activities before changes in operating assets and liabilities, total, including:	2 000 041	367 901
1.1.1	Interest received	3 956 523	4 300 146
1.1.2	Interest paid	(1 598 759)	(1 625 071)
1.1.3	Commissions received	2 191 671	858 843
1.1.4	Commissions paid	(111 556)	(117 179)
1.1.5	Income net of expenses on operations with financial assets measured at fair value through profit or loss, through other comprehensive income	8 345	(8 600)
1.1.6	Income net of expenses on deals with securities at amortised cost	–	–
1.1.7	Income net of expenses on foreign currency deals	511 211	(219 543)
1.1.8	Other operating income	179 151	311 274
1.1.9	Operating expenses	(2 894 845)	(2 925 517)
1.1.10	Taxes expenses (reimbursement)	(241 700)	(206 452)
1.2	Increase (decrease) of net cash from operating assets and liabilities, total, including:	(2 853 254)	678 561
1.2.1	Net increase (decrease) on obligatory reserves on accounts in the Bank of Russia	(68 852)	(88 204)
1.2.2	Net increase (decrease) on financial assets measured at fair value through profit or loss	–	–
1.2.3	Net increase (decrease) on loans to customers	(9 324 690)	(979 174)
1.2.4	Net increase (decrease) on other assets	(395 790)	96 268
1.2.5	Net increase (decrease) on loans, deposits and other funds of the Bank of Russia	1 374 373	611 125
1.2.6	Net increase (decrease) on funds of other credit institutions	1 799 254	3 097 016
1.2.7	Net increase (decrease) on funds of customers that are not credit institutions	6 666 693	(1 962 498)
1.2.8	Net increase (decrease) on financial liabilities measured at fair value through profit or loss	–	–
1.2.9	Net increase (decrease) on issued debt liabilities	(3 000 000)	(130 643)
1.2.10	Net increase (decrease) on other liabilities	95 758	34 671
1.3	Total for Section 1 (line 1.1 + line 1.2)	(853 213)	1 046 462
2	Net cash received from (used in) investment activities		
2.1	Purchase of financial assets measured at fair value through other comprehensive income	(7 391 954)	(4 642 945)
2.2	Proceeds from sale and redemption of financial assets measured at fair value through other comprehensive income	7 400 980	4 608 540
2.3	Purchase of securities measured at amortised cost	–	0
2.4	Proceeds from redemption of securities measured at amortised cost	–	–

1	2	3	4
2.5	Purchase of fixed assets, intangible assets and inventories	(289 315)	(243 190)
2.6	Proceeds from sale of fixed assets, intangible assets and inventories	125 567	108 702
2.7	Dividends received	–	–
2.8	Total for Section 2 (sum of lines from 2.1 to 2.7)	(154 722)	(168 893)
3	Net cash received from (used in) financial activities		
3.1	Contributions of shareholders (participants) into share capital	–	–
3.2	Purchase of own shares (interest) repurchased from shareholders (participants)	–	–
3.3	Sale of own shares (interest) repurchased from shareholders (participants)	–	–
3.4	Dividends paid	–	–
3.5	Total for Section 3 (sum of lines from 3.1 to 3.4)	–	–
4	Impact of change of official rates of foreign currencies to the rouble set by the Bank of Russia, on Cash and cash equivalents	(214 066)	341 421
5	Increase (usage) of Cash and cash equivalents	(1 222 001)	1 218 990
5.1	Cash and cash equivalents as at the beginning of the reporting year	5 298 048	4 079 058
5.2	Cash and cash equivalents as at the end of the reporting period	4 076 047	5 298 048

Signed and authorised for release on behalf of the Management Board of the Bank:

Giuseppe Giampietro




Chairman of the Management Board

Tatyana Pavlycheva

Member of the Management Board /
Head of Accounting, Planning and
Control Group / Chief accountant

25 February 2020

The complete text of the annual accounting (financial) statements (RAS) and the auditors' report is available in the relevant sections of the bank's website www.bancaintesa.ru.

Details

FULL NAME

Banca Intesa

SHORT NAME

Banca Intesa

GENERAL LICENSE

General Banking License No. 2216 dd. May 06, 2015

BANCA INTESA'S REQUISITES

Location and mailing address:

2, Petroverigsky Lane, Moscow, Russian Federation, 101000

BIK (Local Bank Identification Code):	044525922
INN (Individual Taxpayer Number):	7708022300
KPP (Taxpayer Record Validity Code):	770901001
OGRN (Primary State Registration Number):	1027739177377
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Cover photo:

Matera, European Capital of Culture 2019

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Banca Intesa
Annual Report 2019

Minutes of the Board of Directors Meeting No.2/2020 dd. March 3, 2020.
Minutes of the Annual General Shareholders' Meeting No. 1/2020 dd. April 01, 2020.

