

Approved by the Board
of Directors of

AK BARS Bank

“ ” _____ 2016

Protocol #

Social Report

AK BARS Bank – 2015

Kazan

2016

Table of contents

- 1. Address of the Bank's Board of Directors**
- 2. General information on AK BARS Bank**
- 3. Principles and structure of the corporate governance**
- 4. The Bank's recruitment policy**
 - 4.1. Socially responsible regulation of the issues of labor and employment
 - 4.1.1. AK BARS Bank's structure of personnel
 - 4.1.2. Payment policy and labor motivation
 - 4.1.3. Intangible motivation of personnel
 - 4.1.4. Corporate values
 - 4.1.5. Employees' labor and employment rights
 - 4.1.6. Training and enhancement of skills
 - 4.1.7. Assessment of the Bank's staff
 - 4.1.8. Social benefits of the Bank's employees
 - 4.2. Quality of working conditions and lives of the Bank's employees
 - 4.2.1. Sport, recreation, cultural and recreational activities
 - 4.2.2. Support of the elderly and retirees
 - 4.3. Development of Education and Science
- 5. Work safety**
- 6. Socially responsible participation of the Bank in the daily life of the community**
 - 6.1. Sponsorship and Charity Commission
 - 6.2. Assistance to the educational institutions
 - 6.3. Assistance to children with disabilities and children finding themselves in difficult life situations
 - 6.4. Social protection for the elderly, assistance to socially vulnerable groups and people with disabilities
 - 6.5. Support social and cultural programs
 - 6.6. Support to sports
 - 6.7. Educational programs of the Bank
 - 6.8. Environmental protection
- 7. Report of the Charity Foundation "AK BARS SOZIDANIE"**

1. Address of the Bank's Board of Directors

Dear friends,

May I present to you the eighth report of AK BARS Bank on the social policy implementation.

For AK BARS Bank, the year 2015 was replete with the events which had a profound impact on the resulting performance of its activities. These include a difficult foreign environment, a volatile situation in the economy, increased competition, deterioration in financial indicators of the banking system, which in turn have led to both a significant increase in the costs of loss provisioning and to a sharp decline in net interest income. Nevertheless, AK BARS Bank, with the support of the state and its shareholders, withstood another test of strength and systematically moved towards the solution of strategic tasks. All this helped the Bank to maintain and strengthen its positions in the financial environment.

However, occupying the status of the largest Bank of the Republic of Tatarstan is not considered by us as an achievement, but as a responsibility. In this regard, 2015 became a crucial year. A socially responsible management strategy was actively implemented in almost all areas of public activities. Charity events, support for cultural and educational projects, assistance to socially unprotected layers of the society, development of talents and, of course, a responsible attitude towards working conditions and safety of its employees constitute the basis for the social policy of AK BARS Bank. It should be noted that our responsibility is manifested not only in the financing of charitable projects, but also in motivating employees, partners and customers of the Bank to participate in good deeds.

We believe that our business activities can be successful only if they create values and bring benefits not only to shareholders, but also to our society as a whole. The ultimate goal, and the highest achievement of our activity, is to build both a socially responsible business, and a stable and prosperous society.

We hope you will appreciate the information that extends the idea of our Bank.

Sincerely,

Chairman of the Board of Directors of AK BARS Bank V. Yu. Sorokin

Chairman of the Management Board of AK BARS Bank Z. F. Garaev

2. General information on AK BARS Bank

Joint-Stock Commercial Bank "AK BARS" (Public Joint-Stock Company) was registered with the CBR and has been successfully working since 1993. AK BARS Bank is a sustainable and socially responsible financial institution.

In the ranking of banks of the Russian Federation, AK BARS Bank occupies the 16th position by equity and the 21st position by assets¹ (as of 1 January 2016). Over 3.1 million private individuals and more than 67 corporations are the Bank's clients. The regional network of the Bank consists of 32 branches, 232 additional offices, 64 cash desks, 11 operational offices and 1 mobile station of cash operations.

The Bank's priorities constitute such areas as corporate, retail and investment banking, as well as private banking.

Among our corporate clients, there are large companies of the oil and gas and petrochemical industries, machine-building, telecommunication, electric power, construction, chemical, trucking companies, trade enterprises, agro-industrial complexes and others.

AK BARS Bank is one of the largest universal financial institutions of the Russian Federation, providing over 100 types of banking, financial, investment products and services to corporate and private clients.

The Bank serves the key sectors of the Russian economy: the oil, gas, chemical and petrochemical, engineering, transport, construction and communications, agriculture, trade and other areas.

¹ According to the ranking of Russian banks compiled by “Profile” magazine dated 1 January 2016.

3. Principles and structure of the corporate governance

AK BARS Bank considers the effectiveness of the corporate governance system as one of the most important conditions of stability and successful business development.

In the interests of its shareholders, creditors, customers, business partners and contractors, AK BARS Bank constantly monitors whether its activities comply with the provisions of the corporate governance code of AK BARS Bank. The code is available on the Bank’s official website (www.akbars.ru), on the website of the information agency “Interfax” and available to an unlimited circle of people.

According to the principles of informational openness and financial transparency to the public, the Bank timely discloses full and reliable information, including the data on its financial position, economic indicators, ownership structure, thereby providing an opportunity to shareholders and investors for making balanced decisions.

Based on the principles of responsibility and legitimacy, the Bank strictly adheres to the universally recognized norms of the international law, the laws of the Russian Federation and relevant legal acts, and also bears responsibility before its shareholders for the results of its activities, before its customers – for the quality of its banking services, and before the business partners – for the proper performance of the Bank’s duties.

Following the principle of equity, the Bank provides equal attitude towards all shareholders regardless of their participation in the share capital and provides opportunities for effective protection of their rights and legal interests.

In the financial year, the Bank continued working on improvement of its corporate management system and bringing internal corporate procedures in accordance with the changes in the Russian legislation and complying with the best international practices. AK BARS Bank annually assesses its corporate governance system via the method developed on the basis of the provisions of the Russian legislation on joint-stock companies, banks and banking activities, which are recommended for application by the Bank of Russia. In 2015, the Board of Directors assessed the Bank's corporate governance system as meeting the standards of corporate governance in accordance with the recommendations of the Bank of Russia. In addition, the Bank continued to apply advanced standards of corporate governance in its activities. A special attention was paid to the transparency of corporate procedures and strengthening the role of the Board of Directors in its strategic and control functions.

Shareholders, capital structure

One of the most important corporate events in the activities of AK BARS Bank in 2015 was the increase of its authorized capital by placing additional registered uncertificated ordinary shares in the amount of 9.8 billion rubles.

The main acquirer of the additionally issued shares became non-profit organization “State housing fund under the President of the Republic of Tatarstan” - a company with a 100 percent participation of the Republic of Tatarstan.

At the moment, the authorized capital of AK BARS Bank constitutes the amount of 38 015 396 326 rubles and is divided into 38 015 396 326 shares. All shares of the Bank are registered ordinary shares issued in a non-documentary form and have a nominal value of 1 (one) ruble each.

All shares are placed. The Bank's authorized capital is fully paid.

In accordance with the Charter, the limit number of declared registered ordinary shares, AK BARS Bank is entitled to place additionally to the already placed shares, is 20 200 000 000 shares, with par value of 1 (one) ruble each.

As of 31 December 2015, the Bank has not placed preferred shares.

The information about the owners of the Bank, as well as on the structure and degree of participation of the Bank's shareholders holding no less than 1 per cent of its authorized capital, may be found on the website of the Bank of Russia, as well as on the official website of AK BARS Bank on the Internet.

The Bank ownership structure, presented in these Internet sources, contains the information about the largest shareholders of the Bank and is accessible to an indefinite circle of persons. It represents a scheme of relations and a list of persons who control or significantly influence the Bank.

The information about shifts in the shareholders structure owning 5 and more percent of voting shares of the Bank is published in the information resource, is updated in real time and provided by information agency "Interfax", in the form of corporate action notice and insider information.

The General meeting of shareholders is the Supreme management body of AK BARS Bank, makes decisions on major matters of its activities. The General meeting of shareholders gives the Bank an opportunity, at least once a year, to inform its shareholders about its activities, achievements and plans, to involve them in the discussion and decision-making on the most important issues of the activities the Bank carries out.

The Bank equally provides all shareholders with a real possibility to exercise their rights related to participation in the company, provides them with complete and accurate information, including the data on the financial situation of the company, the results of its activities, management of the company and on its major shareholder, as well as on essential facts affecting financial and business activities of the company. In May 2015, there was held the Annual General meeting of shareholders, which considered the issues related to the approval of the annual financial statements, distribution of profits, payment of dividends, amendments to the Charter and internal documents of the Bank, approval of transactions in which there is a certain interest, etc. Moreover, at that meeting, the auditor of the Bank was approved; a new Board of Directors and the Revision Commission were elected.

Execution of the decisions of the General meeting of shareholders is under constant control and is done by the Bank's management bodies. The relationship between the company and its shareholders are built on the principles of direct constructive dialogue which are based on unconditional compliance with the Russian legislation, the maximum compliance with the international standards and the generally accepted international practice. The positions of the Bank's owners on all the major issues are agreed upon via participation of their representatives in the Board of Directors and General meetings of shareholders.

Activities of the Board of Directors and its Committees

In May 2015, at the Annual shareholders meeting, there was approved a new composition of the Board of Directors in the number of 11 persons, which, at its first meeting, elected Valery Yurievich Sorokin as the Chairman of the Board of Directors. He is a representative of one of the Bank's largest shareholders – JSC "Svyazinvestneftekhim".

All members of the Board of Directors comply with legal, personal and professional requirements established in legal acts of the Russian Federation, the Bank of Russia, the Charter and internal documents of the Bank, and have sufficient experience in the field of banking activities, as well as accounting and auditing, which are essential for making balanced decisions on issues referred to the competence of the Board of Directors. In addition, according to the evaluation on whether the members of the Board of Directors comply with the criteria of independence, which was carried out in July 2015, 3 people from the elected Board of Directors

are independent directors (I. G. Avanesyan, Levin L. Yu., Shibaev S. V.), they also lead specialized committees under the Board of Directors. Meetings of the Board of Directors in the reporting period were carried out in accordance with the approved plans for the relevant period of activity. All the issues, set forth in the plan, have been addressed within the established deadlines. In the course of 2015, the Board of Directors held 11 meetings in praesentia and 6 meetings in absentia, including 3 in praesentia and 2 extra ones in absentia, which had not been included in the work plan.

In December 2014, the Board of Directors approved the budget of AK BARS Bank for the year 2015 (in its baseline scenario) and during 2015 the Board presented regular reports (on quarterly basis) on the progress of its implementation; moreover, the Board of Directors had, as its main task, to monitor and maintain the indicators, characterizing the Bank's stability, at a high level.

The Board of Directors, within the framework of the responsibility its members must bear for the Bank's activities in general, has actively used its powers during the reporting year to tackle issues of business strategy and risk management, financial stability and corporate governance. In addition, its members maintained effective control over activities of Executive bodies, cared about the interests of the Bank's shareholders in the context of all of the Bank's operations, etc. Thus, promptly responding to the difficult situation in the Russian economy and increased competition in the banking sector, the Board of Directors repeatedly gathered for extraordinary strategic sessions, which dealt with the issues of short-term adjustments to the Bank's development strategy, capital adequacy and liquidity; issues of implementation of the project "Plan of implementation of key initiatives directed to improve business performance", as well as the system of motivation for the members of the Board, improving business processes etc.

Despite the need to solve urgent strategic tasks, the Board of Directors of the Bank did not cease to pay close attention to the development of the system of corporate governance and to the increase of transparency of the ownership structure. During the year, the Bank actively interacted with all categories of shareholders, respecting their rights and maintaining a balance of interests.

The Board also devoted considerable attention to the improvement of the internal documents of the Bank. Thus, in 2015, the following documents, governing the corporate governance system of AK BARS Bank, were subjected to significant changes: the provision "On Social Responsibility"; provisions for specialized Committees of the Board of Directors (four separate documents); "Corporate Governance Code"; the provision "On the procedure of conducting stress-testing"; the provision "On the procedure of credit risk management"; the provision "On the procedure of market risk management"; the provision "On the procedure of operational risk management"; the risk management policy and the limit policy. Moreover, the Board of Directors considered such documents, as the Bank's Statutes and the regulations on the General meeting of shareholders, and recommended them for approval by the Annual General meeting of shareholders.

The Board of Directors continued practicing the annual assessment of the Bank's corporate governance, as well as the assessment of the work of the Board of Directors and its specialized Committees, according to the results of which there were developed and implemented measures addressing identified deficiencies.

Under the governance of the Board of Directors, the Bank continued to realize charity and sponsorship projects. Each year, the Board of Directors provides the Annual General meeting of shareholders with recommendations on how to distribute the profits received by the end of the financial year among special purpose funds, including the Fund of sponsor support and charity. In 2015, this Fund financed assistance programs for children with serious diseases and those in difficult life circumstances, programs for sports support and community improvement, programs for the environmental protection and socio-cultural projects.

Committees of the Board of Directors

In 2015, Committees of the Board of Directors – the Audit Committee; the Committee for Committee for Personnel and Remuneration; for risk and for strategy) – actively continued their work. Within the framework of their competence, the Committees worked closely with the management and control authorities of the Bank, auditors and consultants.

The Audit Committee

The composition of the Audit Committee includes 4 members of the Board of Directors, two of whom are independent. The Head of the Committee is Shibaev Sergey Viktorovich.

In 2015, the Committee continued the development of its activities, focusing its main attention on realization of the actions directed towards increasing of efficiency of the internal control system, as well as control over the accuracy and completeness of the Bank's financial statements. The Committee has regularly reviewed the Bank's financial statements compiled in accordance with the Russian and international standards, analyzed the audit results and discussed activity plans on elimination of auditors' remarks.

The Committee's attention was devoted to the implementation of measures aimed at improving the efficiency of the control over the internal system, as well as over financial and economic activities of the Bank. In the reporting period, the Committee regularly discussed the plan and reports on the work of the internal audit service of the Bank, including information on major violations, errors and shortcomings in the Bank's activities, as well as on measures taken to implement the recommendations and eliminate violations. Members of the audit Committee continued the established practice of active interaction with the Bank's external auditors, inviting them to their meetings and discussing with them preparatory procedures and the stages of audit works, which allowed them to obtain complete and accurate information on the course of the audit of the Bank's financial statements. The Committee constantly made sure that the audits of the Bank's financial statements were independent.

The Committee for Personnel and Remuneration

The Committee for Personnel and Remuneration includes 4 members of the Board of Directors. The Chairman of the Committee is Syubaev Nurislam Zinatulovich.

In 2015, the activities of the Committee for Personnel and Remuneration were focused on transforming the organizational structure of the Bank within the framework of the project on improving of efficiency and performance review of personnel, as well as personnel costs. The issues related to monitoring of the level of unplanned staff turnover were under the spotlight of the Committee members.

They also got acquainted with the report of the Bank's management on implementation of measures to bring the pay system into compliance with the regulations of the Central Bank of the Russian Federation #154-I "On the procedure of evaluation of remuneration system in a credit organization and the procedure of submitting to the credit institution an order to eliminate violations in its system of remuneration".

During the year, the Committee also considered the issues regarding the main directions of the Bank's strategy in the field of remuneration, including in terms of regions; implementation of the program "Personnel reserve", as well as implementation of the work plan of transmission of AK BARS Bank's corporate values.

The Risk Committee

The composition of the Risk Committee consists of 5 members of the Board of Directors, two of them being independent ones. The Committee Chairman is Levin Yuriy Lvovich.

In the reporting year, the Risk Committee focused on the following directions, which are fundamentally important for the Bank's development: risk analysis and risk monitoring, improvement of the systems of control over different types of bank risks, improvement of the quality and standards of corporate governance in relation to risk management and reducing the overall level of bank risks. Throughout the whole year, the Committee monitored implementation of the planned activities to improve the efficiency of internal control mechanism and risk management systems, as well as to eliminate gaps existing in the field and identified deficiencies.

The Committee also paid special attention to various aspects of overcoming and preventing potential conflicts of interest within the Bank and the banking group.

The Strategy Committee

In practice, the absence of a Strategic Planning Committee in the structure of the Board of Directors of Russian companies signals of the Board's weak strategic focus and about the absence of a clear delineation of roles and responsibilities among their members. The Board of Directors of AK BARS Bank, following the best practice, devotes significant attention to the development strategy.

The composition of the Strategy Committee consists of 5 members of the Board of Directors. The Committee is headed by Avanesyan Igor Grigorievich.

One of the main directions of the Strategy Committee's work in 2015 became adjustment of the Bank's short-term development strategy aimed at improving efficiency, reducing costs and strengthening its risk management functions. Monitoring of the Bank's program directed towards an increase in efficiency keeps being important.

In addition, the Strategy Committee quarter-yearly debriefed the Board's reports on implementation of the Bank's budget and regularly monitored the implementation of the main directions of development of AK BARS Bank for 2012-2015. At the end of the year, the Committee reviewed the main targets and budget of AK BARS Bank for 2016 and recommended them to the Board of Directors for approval.

In 2015, in difficult macroeconomic and geopolitical conditions, the members of the Strategy Committee actively discussed the issues of the Bank's participation in the program to increase capitalization of Russian banks, conducted through the State Corporation "Deposit Insurance Agency" in order to attract subordinated loans and increase capitalization.

Moreover, in February 2015, the Committee considered an unscheduled question relating to the procedure of increasing the Bank's share capital by the amount of 9 800 000 000 rubles via placement of additional registered uncertified ordinary shares.

The Committee also approved the key objectives and activities for the development of retail, corporate and investment business units and the issues associated with the development of priority areas for the Bank, such as development of remote banking services and implementation of the Acceleration program of lending to small businesses.

4. The Bank's personnel policy

The structure and quality of human resources, qualification and professionalism of employees, as well as their rational usage have a decisive influence on the Bank's effectiveness and efficiency.

The main effort in the personnel policy is aimed at recruitment and development of staff, the percentage increase in the staff interest in results of work through effective systems of individual motivation.

Within the project of improvement of efficiency of activities, such as: organizational changes; personnel motivation; training and development of staff; development of corporate culture in 2015, the following key measures were carried out.

Organizational changes

As part of the process of the management improvement in 2015, there were revised the organizational structure and functions of the Head office.

- There was established a new unit - the Directorate of regional business and legal support, which consists of secondary departments contributing to business development: Collateral Management Expertise, Management of Cash Operations, Legal management, Cash Collection Management, Management of Regional Development.
- There occurred functional changes in the Security Department, which found its reflection in renaming of departments. At the same time, the following divisions were excluded from the Security Department, as part of the transfer of functional: the division on work with overdue debts of individuals was transferred into the Block "Bad assets" and the cash collection division - into the Directorate of regional business and legal support.
- In order to ensure effective work with distressed and overdue debts of clients, the following divisions were created in the manning table of the Bank: the Department for work with overdue debts of individuals, Distressed assets management; the Department for indebtedness collection and judicial protection – a former part of the Legal Department – became an independent division; the Department for work with assets was renamed into the Department for work with bad assets of legal entities.
- The Corporate Business Department and the Department for investment lending and project financing were united into the block “Corporate business” with the division’s name “The Department for Corporate Business”
- The service of labor protection was derived from the Administration of affairs to become an independent division.
- In order to avoid operational risks in the cash work, there was created a group controlling cash operations within the Department for cash work.
- The Departments for analysis and development of the banking industry and other sectors of the national economy and macro-economy were excluded from the Bank’s organizational structure, while the Department for strategic development of the banking group was excluded from the structure of the Corporate Secretary Apparatus.

Motivation

In 2015, there was implemented a new motivation system for customer relationship managers of the Kazan branch. There was realized a project on the functional division for client managers specializing on selling of the Bank’s products, as well as those specializing on credit administration.

Training and development of personnel

Realization of the complex study plan grasping all personnel categories and containing the programs of adaptive education, advanced training, development of business skills, as well as corporate and management competences, study of the standards of customer care along with the traditional directions of the development of study programs in 2015, were related to the 2015 FINA World Aquatic Championship which was held in Kazan. In the teaching skills, the emphasis was made upon the development of competences of the employees of the branch

network, who were directly connected to the selling of the Bank's retail products and corporate products.

Corporate culture

Realization of the program on the retaining of the "preferable employer" image.

Competent internal social policy provides the Bank's employees with educational, medical and cultural services, as well as realizes the programs of support for veterans. Therefore, in fact, business forms new social standards which are transferred into the social environment. Not only this improves the image of the company, but also does it contribute to the development and maintaining of auspicious values in the society.

4.1. Socially responsible regulation of the issues of labor and employment

AK BARS Bank considers the system of payment for its employees as one of the basic elements of the proactive personnel policy directed towards supporting of the realization of the Bank's strategic and business aims. The Bank strives to realize a fair and transparent system of labor compensation which:

- Rewards and encourages the employees for their labor in accordance with their skills, efforts and time spent;
- Is objective, transparent and understandable to each employee of the Bank;
- Provides the Bank's employee with the harmony of ethical and material values;
- Motivates each employee to reaching high personal goals and effective teamwork.

The system of labor compensation which is currently in effect finds reflection in the approved normative document "Policy on remuneration of labor of employees of AK BARS Bank which defines the main principles of the remuneration system, the basic components of the remuneration system and the principles for managing of the remuneration system.

AK BARS Bank cares about the welfare and social security of its employees and their families. In the system of socially responsible labor and employment, the Bank adheres to its own practices, as well as international standards in the field of corporate social responsibility.

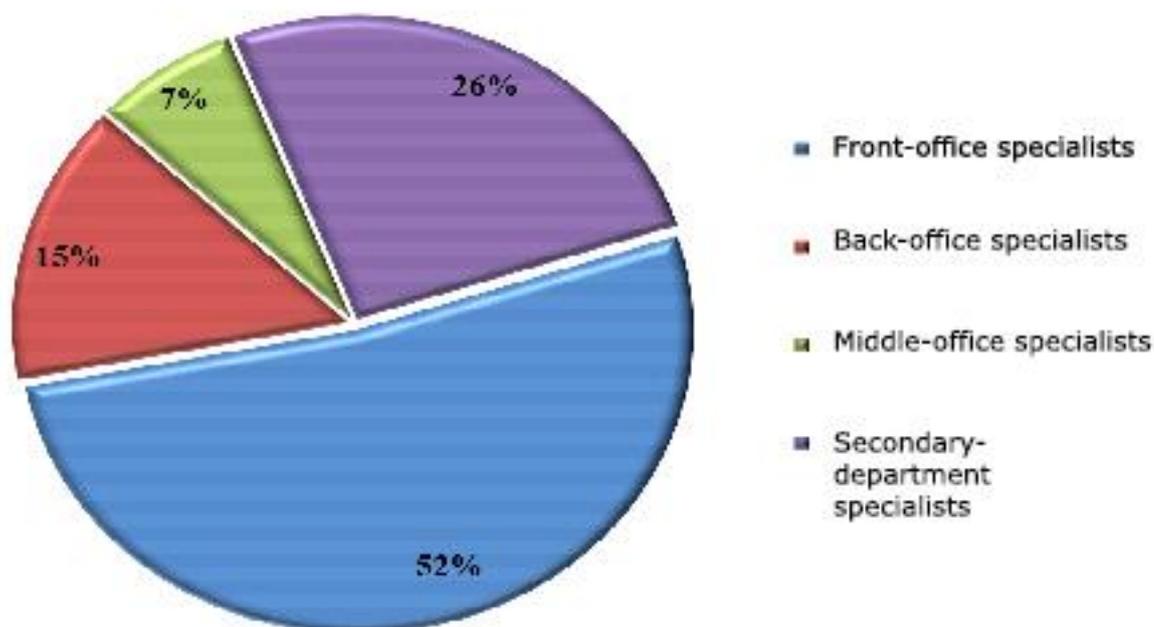
The social policy of AK BARS Bank is realized in accordance with the approved normative document – the Provision on the social support of AK BARS Bank which defines the order and amount of payments of material assistance and social support to the Bank's employees.

4.1.1. The Bank's structure of personnel

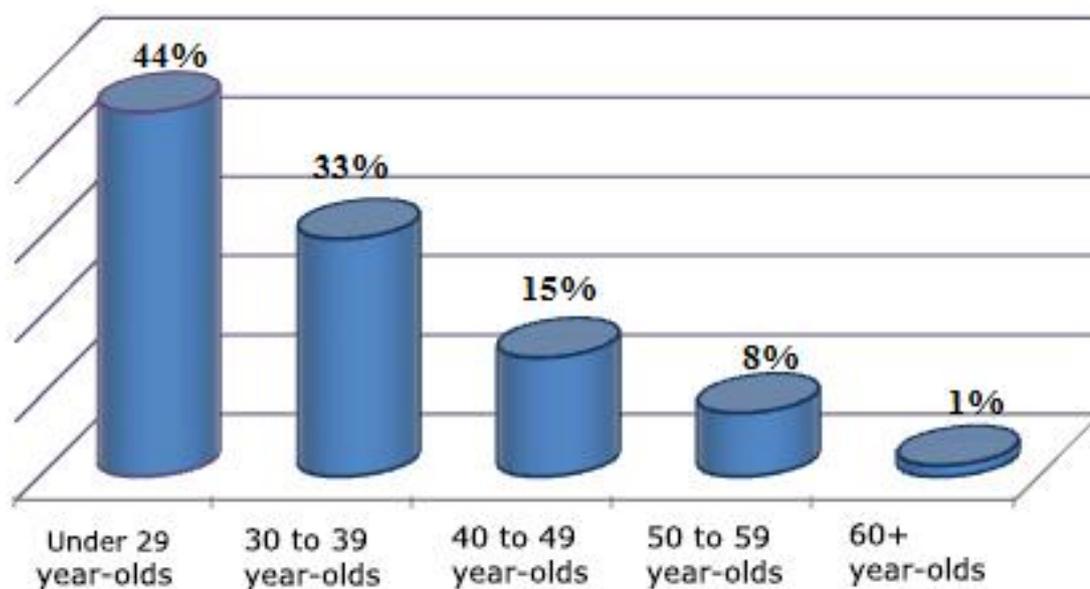
The average headcount of the Bank's staff as of 1 January 2016 constituted 5 939 people, at that, the share of workers of the territorial network was 57,9% (3 438 units), and 14.6% (870 units) for the Shared service center, and 27,5% (1 631 units) for the Head office.

The largest share of personnel in 2015 amounted to the number of employees of the front office – 52%, whose functional did not include middle- and back-support. The number of personnel in secondary divisions constituted 26%. The shares of specialists of the middle and back offices were 7% and 15%, respectively.

Distribution of the Bank's employees by the type of activities:

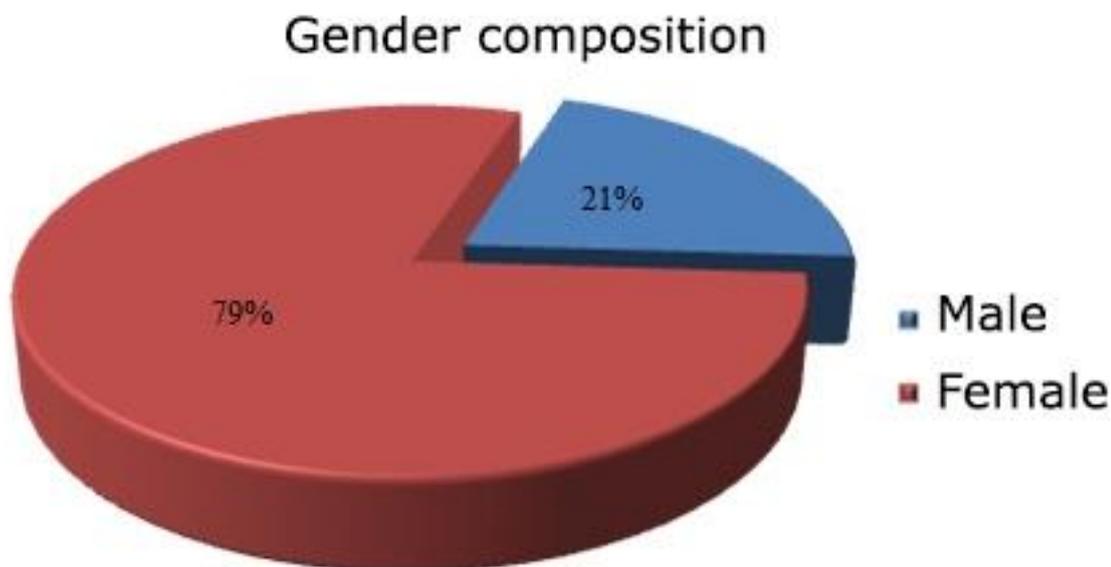


Developing business and increasing the number of employees, the Bank conducts the policy of hiring young professionals and graduates, collaborating with relevant institutions throughout Russia, and this is reflected in the age composition of the staff. In 2015, the number of employees under 29 years was 44% of the total number of the Bank's employees. 33% of those aged up to 39 work at the Bank.



The gender composition of the staff remained unchanged, and its main share of employees is represented by females, 79%.

Distribution of the Bank's staff by gender.



4.1.2. Payment policy and labor motivation

AK BARS Bank considers remuneration of labor as an integral part of the integrated system of tangible and intangible incentives for the staff, which allows to remain competitive by attracting and retaining qualified employees. Introduced in 2008, the basic remuneration during the formation of the official salary allows to control the costs of labor, using clear rules of positioning of salaries within the interval established for a certain position.

The Bank monitors the situation on the labor market via participating in national compensation surveys, in order to understand the cost of banking specialists in the labor market, and to vary it in accordance to an employee's qualification and work efficiency. Wages can be changed both in the main part of the staff salaries, and in the bonus parts for personal, depending on employees' personal performance.

Bonus payments for work results

In order to improve work efficiency, reduce personnel turnover and the time spent to fill a vacant position, the following pilot projects on staff motivation were carried out in 2015:

1. A pilot project for awarding client relationship managers of the Kazan branch. The main objective of the implemented system of motivation was the transition from the quarterly bonus system into the monthly one and improving the quality of the customer service. The amount of the premium is set at a fixed percentage of from the payroll and may be adjusted downwards depending on the evaluation of customer service quality.

2. A pilot project on the division of the functionality of client relationship managers and creation of the position of a "client allocation manager" to perform the functions of loan support (credit agreements). The main objective of this pilot project is to accelerate sales and improve the quality of the customer service of operations of the support (maintenance) of loans to individuals.

In 2015, such systems of individual motivation, as motivation of the front office to attend private individuals and legal entities, as also the divisions for serving important customers of the "Financial house "Ak Bars Persona", as well as the employees of the telemarketing group of the Shared service center, showed their effectiveness and keep being effective. The main objective of these systems of motivation is a possibility of obtaining awards for individual performance, sales promotion, as well as improving the customer service quality.

4.1.3. Intangible motivation of personnel

Worthy motivation has a great influence on an employer's positive professional image, but intangible motivation of employees is no less important, for it is a powerful incentive to work effectively and one of the key components of the corporate culture. Corporate events held in the framework of the development and maintenance of the corporate culture, unite the staff, help to create a positive atmosphere in the company and strengthen the team spirit.

One of the major factors of non-material motivation in the Bank is the promotion and appreciation of employees' merits.

In 2015, 9 workers of the Head office and the branch network were singled out for external rewards; 100 workers were rewarded for long-term and fruitful work, as well as for their contribution to the solution of professional tasks with the Bank's intrinsic rewards. In order to retain professionals and create a stable team, the Bank regularly improves the system of motivation for the Bank's staff.

In 2015, an important event in the framework of the implementation of the non-material motivation plan became an introduction of new principles of employees' career management through the formation of personnel reserve for linear positions. The main advantages of the new system became the possibility of self-nomination and the ability to receive a point-contact feedback, allowing to process the request of each employee individually. A great importance was given to the questions of personnel development, corporate events, - which united employees in a single corporate culture.

In order to inform the Bank's employees about the Bank's corporate life, there was created a specialized section on the local website – "Live Journal", in which the reports on all undertaken activities in the Head office, the Shared customer service and branch network were published.

As part of the celebration of the 70th anniversary of the Victory in the Great Patriotic War, the Bank conducted a quiz, devoted to the main historical milestones. The quiz rallied the Bank's employees, while its results were pleasing due to the overall high level of knowledge and interest (more than 60 teams and 300 participants took part in the quiz).

For the first time in the history of the Bank the quest for the historical part of the city was conducted, which was attended by over 280 employees, Shared Service Center (SSC) staff and territorial network of the Bank.

On the territory of the Kazan Kremlin in the Exhibition building "Manege" action intellectuals of the Bank became "experts" of the game "What? Where? When?".

Flash mob competition greetings were organized as part of the Bank's anniversary celebration. The contest featured 26 video greetings from both divisions of the Head office/SSCs, and from the branch network of the Bank. By voting on the inside of the local site 3 winners were determined and awarded.

Every year trainings for team building are being held for the various divisions of the Bank with the assistance of external providers. In 2015 the training was conducted for 60 employees of the Department for retail business.

The children of the Bank employees are not left without attention. In summer 2015, they had a chance to visit the open-air Tatar Ethnographic museum. Also, it has become a yearly tradition to involve the children in talent contests. This year, the theme of the contest was "Visiting a fairy tale". All the participants were awarded prizes. In 2015, the contest Board reviewed 280 applications from children of various ages.

This year, the Bank became officially involved in the project of the Bank game zone located in the children's center "Kids space". This children's center serves as a venue for professional trainings for children aged 4 to 14. This AK BARS Bank's partnership later became bilateral. For the children-participants of the project "Kids space", 150 all together, there were organized 26 tours in the cash processing centers of the Bank.

In addition to team building events, the Bank organizes professional skill competitions. In 2015, there were two competitions taking place : the competition between the heads of the

Bank additional offices and the competition between the outbound sales teams." To enhance creativity and engagement of employees in the study of how to increase the efficiency and cost optimization of the Bank in 2015, a competition for innovative ideas was launched. Over 150 applications were received. As a result of the contest, the best innovative ideas were selected, and their authors obtained awards. Also, a plan of events for the year 2016 was written that outlined how the innovative ideas would be implemented.

An innovation of the Bank was the event named "Photo of the week" for the Bank's employees. The best photos posted on Instagram with the Bank's hashtag are published on the homepage of the company's website. Throughout the year, photos of the Bank's employees got posted on the website. The themes of the photos touched on events, nature, animals. This event attracted attention of 60 people, and 132 photos were selected for posting. The event received a lot of positive feedbacks from employees.

With the motto "We help to give help" the Bank launched a charity event named "Relay race of the good" within which the teams of the head office, the shared services center and the territorial network of the Bank implemented a socially significant project or action of significant value, or a charity event. The event was attended by the officials from 18 departments of the head office/ESTs and 23 branches of the Bank. During the event, help was provided to students and residents of 29 organizations of various profiles located in the Republic of Tatarstan of the Russian Federation, among which there were rehabilitation centers for children, nursing homes for the elderly, orphanages, boarding schools, shelters for homeless animals, etc.

The Bank employees actively participate in various charity events. The Bank occupied the second place among other organizations in Kazan that collected a good amount of money at the charity event "Someone's life now matters".

4.1.4. Corporate values

Shared corporate values build trust and bring the organization together. In AK BARS Bank, these values also represent its team, for which it is recognized by the public. The key principles and rules of the corporate conduct and ethics of AK BARS Bank are governed by an adopted Code of ethics. Corporate values that are at the basis of the corporate spirit of AK BARS Bank have grown from the 20 years of experience and allow its team members to adhere to a unified culture of business conduct.

The Bank performs a purposeful work of making its corporate values public through training and development projects, as well as by way of internal and external PR. So, for the purpose of transmitting corporate values actively they use a corporate portal channel, where the information materials reflecting the basic standards of conduct and the guidelines of the corporate culture of the Bank are published.

In 2015 there were 8 news articles published about the major and most colorful events in the life of the Bank that also reflected the basic standards of conduct and guidelines for the Bank's corporate culture. They are "the access Code is: or how to keep the dress code of the Bank in summer", "An award for a result", "AK BARS Bank, a national partner of the 16th FINA World Championships!", "The results of the Annual General meeting of shareholders of the Bank, "the achievements of the past year and plans for 2015", "Results of the FINA World Championships: victory for us!", "The front office is the business card of the Bank", "Time is money: the project "No standing in lines", "Self-development as a source of professional growth".

4.1.5. Employees' labor and employment rights

The Bank's activities are aimed at ensuring equality of rights and opportunities for all workers in the workplace and prevent all forms of discrimination and forced labor, promotes professional and personal development for its employees. These principles are reflected in the

local regulations of the Bank in the sphere of personnel management, which shall be adopted in accordance with the requirements of international and Russian legislation.

In accordance with the Regulation on personnel recruitment the Bank complies with equal rights and opportunities for job candidates when considering applications and when taking them to work. Other local regulations are responsible for the equality of labor rights and freedoms of the individual during the procedure of evaluation, promotion, remuneration and training of employees.

4.1.6. General and advanced professional trainings

In order to keep the employees' professional skills up to date with the current demands in business and theoretical and practical knowledge of managers and other professionals working at the Bank, a whole continuous training system was organized.

The training program includes:

- external training for managers and other professionals of the Bank head office at the professional training programs, seminars, forums, and conferences;
- general training for managers and other professionals of the territorial network with education providers trained to work in the corporate environment;
- internal training in the corporate environment with the purpose to make the knowledge of managers representing different departments of the Bank available to other employees of the head office or the territorial network;
- internal training for the Bank employees by way of implementing its own training programs by the department of personnel evaluation and development.

The training programs that were aimed at educating and developing the personnel and that took place in 2015 were held in all the structural divisions of the Bank, involved employees of the bank affiliates, the shared service center, and the bank head office. During the year 2015, more than 4500 employees were enrolled in the training programs. These figures include 126 employees of the head office who took part in external training programs, such as seminars, conferences, and forums.

Holding the FINA World Championship

AK BARS Bank became a national partner of the XVI FINA World Championships that took place in Kazan in 2015. In order to provide high-quality services to the clients of the bank and the guests of Kazan, the following activities took place:

- more than 170 employees working at the cash and settlement department of the bank were enrolled in the training named “Standards of customer service and how to use the handbook of bank services”;
- more than 150 employees were enrolled in English language classes of different proficiency levels;
- the handbook of bank operations was translated into different languages;
- a learning video based on the volunteer's map was made;
- During the XVI FINA World Championships, monitoring of the bank offices in Kazan took place every week. 16 offices were checked weekly. The monitoring took place in order to see whether the standards of customer service were maintained.
- In order to provide continuous services in the offices of the bank affiliate in Kazan, 25 employees from other affiliates were transferred to Kazan to provide customer services. The employees were in Kazan on a business trip and worked almost every day. The influx of new employees helped make all the cash windows in Kazan offices open, which brought positive feedbacks from clients.

Training in the current activities

In order to effectively contribute to business development, goals and tasks setting, and problem solving, strategic sessions with the heads of the bank territorial network and the head office are held yearly. In 2015 in the field of retail business the following 3 strategic/training sessions were held:

1. A spring session for 46 directors and associate directors of the bank affiliates who supervise retail business, as well as an external training on the topic “Happiness in your activity”;
2. A fall session for 35 directors and associate directors of the bank affiliates who supervise retail business, as well as an external business on the topic “Personal art of supervising”;
3. A study session for 30 managers in retail business development during which the teaching method “Effective negotiations” was delivered.

In the field of corporate business the following 5 strategic sessions were held:

1. A spring session of corporate business for 61 employees, as well as a training on the topic “Selling bank products. SPIN method.”
2. A fall session of small business was held 27-28 August, 2015 for 35 employees. Also a training named “Mastering sales” was held.
3. A session for 32 supervisors of the corporate division of affiliates, i.e. the director and the associate director, was held 21-22 September.
4. A strategic session for 34 employees providing cash and settlement services to legal entities was held on 23 October;
5. A strategic session for 17 client managers of medium and large businesses, including an external training “Tough negotiations”, was held.

The above-described activities took the form of online courses. In 2015 the document “Standards in assisting legal entities” was made available for the employees.

As far as internal trainings are concerned, 21 adaptation programs for 985 employees of the territorial network were implemented. Adaptation programs are aimed at reducing operational risks and supervising during probation periods. Over the year 2015, the following adaptation programs took place:

- A “welcome training” that was aimed at making the employees familiar with the history of the bank, its values and rules. There were 700 newly admitted specialists of the head office and the shared service center involved in the training.
- A training for cashiers. 138 employees (9 groups) were enrolled in it.
- A training for client managers. 77 employees (7 groups) were enrolled in it.
- A training aimed at retail business development. 32 employees (3 groups) were enrolled in it.
- A training for economists working in small business. 38 employees (3 groups) were enrolled in the program.

In 2015, advanced professional training programs for the Bank leaders were implemented. Their purpose was to develop certain directing competences. The programs included the following activities:

- A two-step module-based training program for 43 leaders of the shared service center and the bank head office was implemented. The training covered the following two themes: “Goals and results in directing” and “Motivation and development of the corporate culture”.
- During the strategic session in retail business for 35 directors and associate directors of the affiliates, a leadership training on the topic “Personal art of supervising” was held.
- Leadership trainings for 150 line managers of the territorial network were organized. The theme of the trainings was “Effective manager”.

In order to develop a division that will deal with past due balances in the 1 and 3 quarters of 2015, two external education programs for the employees of the office responsible for the active assets of the head office and territorial network and the group of remote collecting of penalties of the shared service center were implemented.

A number of distance learning programs for all employees who are involved in work with clients and follow the program "Reviewing applications within the accelerated credit program" were implemented.

Due to the changes that took place in the current business processes as well as the parting of the services of the department of investment lending and project funding, all the specialists were enrolled in the following training programs: "Making professional decisions within P-907/908", "Introducing control cards and risk reports", "Rules for filling out forms containing reports by the operations department of the Civil Defense Committee". A group of employees from the office of investment lending and project funding, 20 people all together, was involved in the training "Credit analysis" that was moderated by external providers from Kazan Volga region Federal University.

Innovative technologies in education

Since 2014, a project aimed at introducing the Institute of instructors at the Bank has been implemented. Over the year 2015, the corporate instructors of the Bank moderated the following programs:

1. more than 110 trainings for 1800 employees of the bank territorial network on the topics: "Sales tools", "Cold calls", "Target models of direct sales", "Effective leader", "Effective negotiations", "SPIN technology".

2. 8 training programs aimed at elevating financial literacy that were conducted by regional instructors;

3. more than 300 introductory trainings and adaptation control trainings;

4. more than 400 evaluating procedures (secret calling, in-person checking, supervision).

Improved customer service in the regions where personnel instructors are introduced show that the trainings were effective.

At the end of 2015, the supervision project was started. This project helps obtain objective information about employees' weaknesses and eliminate them, improve the personnel efficiency and customer service.

As a helping element of the training, the bank online library was used as a tool in education. The materials are updated on a regular basis.

4.1.7. Evaluation of the Bank personnel

An important part of work that is done to raise efficiency of the personnel and stimulate the personnel is the evaluation of the personnel's work. In 2015 a procedure of certifying the employees of the head office and the shared service center took place. 1937 employees of the bank took place in evaluation.

For the purpose of evaluation the procedure of multi-factor evaluation was applied. 28 high-ranking managers took part in this evaluation. Among them are managers from independent structural divisions of the head office and the shared services center. Based on the evaluation report, one can claim that the leading employees of the bank are highly qualified for their positions.

The senior managers of the bank territorial network are evaluated regularly. In 2015, 27 directors and 28 associate directors of the affiliates were evaluated.

In order to reduce the operational risks at the bank cashier's offices, all the cashiers of the territorial network were evaluated and certified. Overall 1110 specialists working with clients were evaluated. The managers and supervisors of cashier's offices were also additionally evaluated.

Traditionally, in order to see how the standards of customer service were provided to private persons, quarterly projects were implemented. The projects were aimed at observing

customer service provided at the front desk in the affiliates. The evaluation method that was used is named "Secret visitor".

In order to enhance control from senior managers and employees' self-control, the procedure of random evaluation is being implemented. 245 employees of the shared services center were evaluated by way of random evaluation.

4.1.8. Social benefits for the Bank employees

The most important part of the social policies of the Bank is the support that is given to employees. Social benefits are applicable to all the employees of the head office and regional affiliates of the bank, regardless of the position that they occupy, the status and work experience.

The corporate social benefits for the bank employees are divided into social packages, vital benefits, and business benefits.

Social packages are related to the kind of benefits that help the employee save personal means, time, and efforts. The senior managers of the bank care about its employees and provide support to their families giving the employee a social package. In 2015 the bank employees were given the following types of social packages:

- **stimulating payments** that are given for advanced work experience;
- **financial aid and social benefits** are given to the following groups of people:

those who get married for the first time;

those who have become parents;

non-working mothers who are employees of the bank and whose children are 1,5-3 years old;

those whose relative has passed away;

those who have an anniversary;

those who retire;

others who can be found qualified by the decision of the social benefits committee.

relatives of the employee in case of the employee's death;

fee reimbursement for tickets to children's summer camps.

reimbursement for the tickets "Mother and child".

Discount programs are the kind of social benefits that are given to employees to purchase bank products and use the services provided by the bank and its partners. This opportunity lets the employees save private funds.

The loyalty programs of the Bank are constantly developed on different levels and in different directions: credit programs (mortgage credit lending, credit lending for consumer needs, credit lending for buying a car, credit lending based on bank accounts connected to bank cards), cash and settlement services, and other products. The loyalty programs on products and services provided by the bank partners give the employees an opportunity to purchase products or services on beneficial terms.

Vital benefits are related to the kind of benefits in the field of sport, physical education, wellness, and recreation. Contributing to the healthy life style of its employees, the bank:

- organizes tournaments in different sports (the Olympics among bank employees, tournament in mini-soccer, volleyball/ice hockey/tennis competitions);
- advocates for the healthy life style and sports involving large groups of people organizing competitions among the bank employees;
- provides the employees free tickets to wellness centers and gyms;
- plan and conduct general check-ups for the employees in accordance with the budget expenses. The employees remain under the care of doctors on a regular basis. Also, the bank plans and conducts immunization in order to prevent illnesses of the employees during epidemic.

The bank provides financial aid during holidays and anniversaries, contributes to organizing events and provides presents to the employees' children.

Business benefits are the kind of benefits that are granted to certain categories of bank employees and when and where appropriate. This kind of benefits include the following:

the provision of a company vehicle and reimbursement of taxi fees for those who work at night;
reimbursement of cell phone expenses;
the organization of trainings, professional trainings, and advanced professional trainings, including external education (seminars, courses, conferences, educational programs, internships, President's educational program, MBA) and internal education of the Bank.

Thus, well planned and correctly organized social system lets easily regulate the questions of employees' labor and employees' life. Another purpose is to create high-quality and loyal personnel.

4.2. Quality of labor conditions and workers' life

In order to create high-quality labor conditions, the conditions under which each of the employees works should be perfect and meet the needs of employees.

Moreover, the bank works out the rules that should be followed at work by the personnel.

Taking into consideration the interests of retail business services and making the work of the territorial network standard, the Bank introduced the standard “The mode of serving customers of AK BARS Bank in the regional offices that offer retail business products”. This document orders the work schedule in the regional affiliates and determines a unified standard enhancing the status of the brand AK BARS Bank.

4.2.1. Sport, recreation, cultural and recreational activities

One of the key to the company's success is well-organized corporate leisure-time activities. Holidays spent together help to bring staff together, provide personnel with an opportunity to get to know each other better, find common interests and sometimes to show themselves in unusual situations. This is an excellent way to create favorable environment within the collective, to help staff to destress and relax.

AK BARS Bank welcomes team sports. It holds tournaments in such types of sports as volleyball and football, which especially help to unite the members of the team, teach them to act together.

Throughout the year, the Bank has been sending its team to participate in such sport tournaments as the Sportakiada – “Athletic Kazan-2015”, and often they ended up winning prizes. The Bank's athletes received gold medals in athletics, badminton, table tennis, and skiing. The Bank's teams also won silver medals in mini-football and swimming.

Moreover, the Bank actively supports the government's initiative on passing the exercise complex GTO or “Ready for Labor and Defense”. This fall more than 1500 employees of the Head office, Shared Service Center and Kazan office took part in various sport events by passing a complex of exercises, which included push-ups, pull-ups, jumps, bends, bends and exercises on abs. In general, all employees have demonstrated sufficient for their age level of physical culture: strength, endurance and speed. And the best of them were awarded prizes, such as gift cards of sports shops.

4.2.2. Support of the elderly and retirees

AK BARS Bank is known for taking care of its pensioners. The Bank as a socially responsible organization takes into account the socially vulnerable position of non-working pensioners and pursues a policy of social support for its retirees by implementing a systematic program of assistance. As a gratitude for their work our pensioners have been receiving special payments from the Bank during the entire 2015 to key anniversaries and to the occasion of retirement. On the Day for the Elderly non-working pensioners met as a part of the long tradition at a gala event with a tea reception and the presentation of gifts.

4.3. Development of Education and Science

AK BARS Bank continues to implement programs to create a positive image of the employer among students of higher educational institutions and to attract young professionals:

The annual program of "Scholarships of AK BARS Bank" was implemented in 2015. Honorary diplomas and credit cards with scholarships were awarded to 10 outstanding students. 110 students from the universities of Tatarstan and the Russian Federation from 19 different cities – Kazan, Naberezhnye Chelny, Chelyabinsk, Perm, Saratov, Gelendzhik, Moscow, Orenburg, Kirov, Krasnodar, Ulyanovsk, Nizhny Novgorod, Krasnoyarsk, Ufa, Samara, Saransk, St. Petersburg, Yoshkar-Ola, Omsk – registered and took part in the open competition.

28 students were selected in the first round of competition entries for the following interviews with the scholarship committee composed of the heads of structural divisions of the Head Office of the Bank. The scholarship committee met with students of the nearby cities in person, and a video conference was held for those living in other cities of Russia.

In addition, in order to implement strategic HR-initiatives aimed at attracting young promising students and the formation of an external talent pool, AK BARS Bank conducts visits on a regular basis to universities.

In 2015 Bank organized the following events together with several universities:

- Career Days took place in Kazan Federal University in April and in Kazan National Research Technical University named after A.N.Tupolev in April and November;
- Business game in KFU was held on April, 23. The format of the event allowed to assess each participant as a potential employee;
- Meetings with students of the Kazan Banking School on career guidance were held in April-May and it allowed an assessment of knowledge and personal qualities of students;
- In June, Bank's employees participated in the defense of a student theses in TISBI, KFU;
- Image-building trips to KFU for presentations of the joint projects of the Bank with universities;

Days of financial literacy for students of KBS and KFU;

Bank experts organized sessions with students KFU and KBS on the bank disciplines;

In November, Bank's employees took part in a round table at KFU and the Alumni Association of the Faculty of Law of the KFU - "Graduate of the Faculty of Law: Current issues of training and career development”;

The Bank took part in the tenth International scientific conference of students and graduate students of the law faculty of KFU (November).

By creating a future talent pool AK BARS Bank actively involves students in the industrial practice and internship programs. In the academic year of 2015 the number of trainees was 53 people in the head office, 12 of them were consequently employed in the structural divisions of the Bank. The branch network of the practice includes 80 students with 17 young professionals, who have received an offer of employment.

5. Work safety

To continuously improve the work safety, the AK BARS Bank seeks to meet international standards: of OHSAS 18001: 2007 "Management Systems of Health and Safety of Labour. Requirements”, OHSAS 18002: 2008 "Management Systems of Health and Safety of Labour. Guidance on the application of OHSAS 18001: 2007, the requirements of the federal laws of the Russian Federation and other normative legal acts.

In 2015, the Bank approved the policy on occupational safety, which establishes general requirements for the protection of labor and unified occupational safety and health management system in all of the structural and territorial divisions of the Bank.

Each year, the Bank approves the Action Plan for the improvement and enhancement of working conditions and provides funds to increase safety in the amount of not less than 0.2% of the total expenditure of the Bank. For its formation, the Bank studies the working conditions at the workplace in the framework of laboratory studies of harmful physical factors and specific assessment of working conditions. Thus, the volume of laboratory studies of harmful physical factors in the past year amounted to more than 1,600 jobs, a special assessment of working conditions - about 1,500 jobs.

All employees of the Bank receive training on labor protection and examination in due time in accordance with the applicable legislation of the Russian Federation. In 2015, the Regulations "Training and testing of the knowledge of the workers' labor protection requirements" were adopted, according to which the Bank develops an innovative approach to provide training on labor protection briefings at work: each employee is given an opportunity to learn remotely the requirements of current legislation on occupational safety, local regulations of the Bank and to pass the knowledge assessment procedure. In addition, for each category of workers the Bank has developed programs on occupational safety training. During the reporting period, more than 980 managers and specialists went through an internal special safety training and examination, and 40 - external.

With all the newly hired persons, regardless of their educational background, work experience in the profession or position held, the Bank runs an initial training with the educational film "Health and safety induction training", updated in 2015.

Introduction of workers to the labor protection requirements is carried out by means of electronic corner through the base - "Occupational safety" from IBM Lotus Notes and distance learning portal, access to which is open to all employees who work with the PC.

Workers employed in jobs with harmful and (or) dangerous working conditions, as well as at jobs related to traffic, pass obligatory preliminary (as a part of the employment process) and periodical medical examinations to determine the suitability of these workers to perform the assigned jobs and to reveal occupation diseases. Catering workers are referred to medical examinations in order to protect public health, to prevent the occurrence and spread of diseases. If there are any medical contraindications, employees are sent for further examination at the expense of the Bank.

All employees are given the opportunity to undergo chest photofluorography.

With a view to the functioning of the health center, the Bank signed an agreement with LLC "AK BARS Medicine." The medical center carries out emergency medical care, conducting medical procedures, inspection and expert advice on the basis of the health center. Round the clock it holds pre-trip and after-trip medical examination for drivers.

These measures allow us to estimate the dynamics in the state of workers' health and detect and resolve emerging issues. In 2015, more than 650 people on a periodic basis and more than 1,000 as a part of the employment procedure went through medical check-ups.

More than 600 Bank employees performing jobs under harmful and (or) dangerous working conditions, as well as work carried out in special temperature conditions or pollution-related, are provided by the Bank with special clothes, special footwear and other personal protective equipment, washing and disinfecting means in accordance with the established norms.

In the reporting period, there were three accidents involving mild health damage at the production sites:

Retail Business Department Employee of the Shared Service Center tripped and fell down from the stairs.

Security Department employee was overridden by a vehicle while performing his official duties.

Employee of the Arsk branch was involved in a road traffic accident, while driving an official car.

To ensure timely provision of first aid in case of accidents, all the Bank's buildings have medical offices.

All production buildings and facilities of the Bank are subject to general technical inspections two times a year to ensure the safety of employees in the operation of buildings, structures, equipment, technological processes and to develop proposals to improve the technical operation of buildings, as well as the planning of current and capital repairs.

In total, according to the approved plans, in 2015 the cost of labor protection measures amounted to about 11 million Rubles.

During the reporting period, the Occupational Safety and Health Division of the Bank has received more than 3,500 complaints from workers. For each of these services specialists gave detailed advice in accordance with the current legislation on labor protection.

6. Socially responsible participation of the Bank in the daily life of the community

AK BARS Bank continues to fulfill its social responsibilities and is actively involved in the life of the community, using its resources, communications and time for the benefit of society. In 2015, the Bank's resources in a socially responsible activities were designed to help heavily ill children, strengthening public health, support for sports, cultural and environmental programs. Charity projects of the Bank are targeted and implemented jointly with the Charity Foundation - "AK BARS SOZIDANIE".

Total social investment of the AK BARS Bank in the reporting period amounted to more than 28 million Rubles.

6.1. Sponsorship and Charity Commission

AK BARS Bank receives thousands of letters asking for help and support throughout the year. Geography and topics of such resorts are so extensive that they require peer review and collective decision-making process. For more than 13 years the Sponsorship and Charity Commission has been successfully operating in the Bank, which allows to pursue systematic, modern and efficient patronship.

Sponsorship and Charity Commission promotes an effective policy of the Bank in the implementation of charitable activities: it is engaged in the work with citizens and organizations, it makes decisions for assistance and determines the main vectors of development of such activities.

The Commission consists of the Chief Accountant of the Bank, Head of Corporate Communications - Communications Director of the Directorate of Strategic Development and Corporate Communications, Head of Market and Operational Risks of the Risk Management Department, Head of the Department of Regional Development of the Directorate of the regional business and legal support. Chairman of the Commission is the Deputy Chairman of AK BARS Bank I. Gubaidullin. The decision on assistance is taken in a collegial manner in the presence of a quorum by a majority vote of the members of the Commission. The meetings shall be convened when necessary, but at least once a month, control over the execution of decisions taken by the Commission Secretary who does not participate in the vote.

In 2015, the Bank considered 380 letters from citizens and organizations from different regions of Russia, 159 of them have received a positive decision (42%). Many own charity projects of the AK BARS Bank were implemented by Charity Foundation - "AK BARS SOZIDANIE".

6.2. Assistance to the educational institutions

The task of increasing the country's competitiveness in a globalizing world economy requires addressing the issue of quality of education. AK BARS Bank realizes that childhood is a special period of life that provides the accumulation of resources by a child - physical, intellectual, spiritual, social - for the lifetime. The attitude towards children is a measure of moral maturity of a society, its humanism and spiritual health. The tradition of supporting education and awareness of AK BARS Bank has continued in 2015 as well. Thus, during the reporting period charitable assistance targeted the Federation of modern and pop dance, helping

the latter to participate in the Championship of Russia and the Palace of Martial Arts "Ak Bars" for the organization of the Championship of Russia on judo among young people under 18 years.

"Gift to a first grader"

AK BARS Bank annual action "Gift to a first grader" has a special place among numerous social projects of the Bank. The action covers tens of thousands of children across Russia and has an important mission - education for the younger generation, love for country, native language and culture.

Charity event of the AK BARS Bank for awarding educational grants to first-graders on the Day of Knowledge was held already for the 19th time. "Gift to a first grader" - a book and a computer game for the study of the two official languages of the Republic of Tatarstan: Russian and Tatar. A unique publication annually developed by leading methodologists, artists and animators of Kazan and Russia, and, without duplicating curriculum helps a child to immerse themselves in the language through exciting stories. In 2015, a book and an interactive computer disk entitled "The Extraordinary Adventures of Barsik in the animal world," were received by 53 thousand children on the Day of Knowledge: these were all first graders of Tatarstan and children from other Russian regions with a large share of Tatar-speaking population.

6.3. Assistance to children with disabilities and children who find themselves in difficult life situations

Charity programs of the AK BARS Bank in this area are implemented in the support of seriously ill children, children with disabilities and children in difficult life situations. 24 children, thanks to the timely financing of the Bank, have received a hope for recovery. Assistance was provided to children with problems with the musculoskeletal system, hearing and breathing, which could receive treatment or undergo a rehabilitation course in leading medical institutions not only to Russia (Kazan, Ufa, Crimea, Moscow, Chelyabinsk), but also abroad.

6.4. Social protection for the elderly, assistance to socially vulnerable groups and people with disabilities

Extensive charity activities of the Bank in this direction can be regarded as an independent social technology that allows to provide the necessary support to citizens in a difficult situation, which a person can not overcome on his own. People with disabilities, alone elderly, children left without parental care - all these categories of people receive targeted assistance of the AK BARS Bank upon the individual applications as well as on a massive scale.

In 2015, the Bank continued to exercise patronage of the Arsky orphanage for the elderly and disabled as well as Yelabuga orphanage. These organizations were provided with material assistance and gifts for the holidays.

In celebration of the Day of the elderly person, with the support of the AK BARS Bank, "AK BARS SOZIDANIE" Foundation together with the House Veterans of the Nizhnekamsk Municipal District held a charity event where veterans and the elderly citizens of Nizhnekamsk and Nizhnekamsk Municipal District were handed food packages.

In addition, on the New Year's eve Nizhnekamsk branch of AK BARS Bank allocated funds to organize a holiday for the boarding school for children with hearing disorders called "Rainbow" and the social rehabilitation center for minors - "Balkysh".

Victory Day

Victory Day in the Great Patriotic War is the greatest and the most important holiday for our people. AK BARS Bank annually honors veterans of war and labor across Tatarstan and Russia. Financial support on the eve of the holiday was sent to Agryz, Apastovsky, Zainsk, Nizhnekamsk, Spassky, Tetyushsky, Tyulyachinsky Districts of the Republic, Vahitovskij, Volga, Moscow, Kirov and the Soviet districts of Kazan, as well as cities such as Kirov, Perm, Cheboksary. Allocated funding has been directed to hold celebrations, charity dinners and concerts, as well as for the organization of fireworks.

6.5. Support of social and cultural programs

From the very start of its social activities, the Bank supported the national and cultural projects of the Republic of Tatarstan, as well as promising areas of cultural activities in other regions of Russia. In 2015, AK BARS Bank traditionally allocated material resources for the purpose of carrying out socially significant and cultural events. With the support of the Bank such events as the celebration of the Victory Day, Sabantuy, the Day of the Elderly and the Disabled people, and the New Year have been successfully held in the Republic of Tatarstan and other regions of Russia. Also, with the support of the Bank in 2015, an anniversary book dedicated to the historical events of the Kirov and Moscow districts was published. Traditionally, the public organization of Kryashens received funds for a national holiday - Pitrau. In 2015, the Bank provided financial support to the Fund named after Ernst Muldashev that facilitates expeditions to conduct field research.

The milestone event in 2015 is the reconstruction of the park "Molodezhnyi" located next to the building of the AK BARS Bank. The project was implemented by the Bank together with the LLC "AK BARS STROY".

For the purpose of aesthetic and cultural education AK BARS Bank had sponsored the organization of the contest of female beauty, maternity and family "Nechkebil".

Throughout 2015 the Bank provided sponsorship for children's play park "KidSpace", which has a mini-prototype of the AK BARS Bank on its territory. In addition, for children - "residents" of the town "KidSpace" there are guided tours once a month in the Bank's building, located on 1 Dekabristov str.

"Relay race of the good"

In February 2015, in the structural units of the Head Office and SSC as well as the Bank's branches the charity action "Relay race of the good" was started. The event was attended by more than 6 000 employees of AK BARS Bank in 30 regions of the country from St. Petersburg to Krasnoyarsk. Employees of the AK BARS Bank organized assistance to 29 organizations of various profiles in Tajikistan and Russia using their own resources. Also, they provided targeted support to 10 families with many children, and 8 families in a difficult life situation. In addition, some funds were transferred to the accounts of the 2 charity foundations; there were organized meetings with 200 veterans and the donation movement in 3 cities was supported.

6.6. Support to sports

The activities of the AK BARS Bank in 2015 were conducted under the auspices of the status of a national partner of the World Aquatics Championships in Kazan. In addition, the Bank is traditionally sponsoring youth sports school "Volna", and it is a financial partner of the hockey clubs "Ak Bars" and "Neftekhimik". Other points in the field of sports charity program are the aid to the Palace of martial arts - "Ak Bars" - in the organization of the Championship of Russia in judo among young people under 18 years old. Apastovsky district of the Republic of Tatarstan has also received funds for the purchase of hockey equipment for the junior team. As part of the Great Patriotic War's Victory Day celebrations, the Bank has allocated funds for a regional motorcross.

6.7. Educational programs of the Bank

Social activities of the Bank are aimed at the comprehensive development of children and youth, including the implementation of their own educational projects. Thus, the Scholarship program of the AK BARS "Bank" was established to support and encourage the most talented students of higher educational institutions throughout Russia. 10 students - winners of the Scholarships of the AK BARS Bank were awarded diplomas and a monthly stipend, provided by the Bank during the year. Along with the award of the scholarship Bank offers young scientists the opportunity to undergo practical training with possibilities of future employment.

AK BARS Bank traditionally supports the long-term innovative educational program - a competition "50 best innovative ideas of Tatarstan". In 2015, sponsorship has allowed 10 young

scientists, who provided relevant work in the field of science and technology, to allocate cash prizes by the Bank to the development of its own scientific research.

In 2015, AK BARS Bank allocated funds to the Apastovsky municipal district of the Republic of Tatarstan within the framework of the republican campaign "Help to prepare for school."

6.8. Environmental protection

Support of the environmental programs is one of the Bank's charity initiatives. In order to display and maintain snow leopards (irbis), the Bank for many years provides charity-based financial assistance to Municipal Cultural Institution "Kazan zoological and botanic garden". Currently, the zoological and botanic garden under the auspices of the Bank contains two snow leopards.

7. Report of the Charity Foundation "AK BARS SOZIDANIE"

Charity Foundation "AK BARS SOZIDANIE" is a non-profit organization registered on 17.10.2006. The main directions of activities of the Fund are the socialization of children with disabilities and children in difficult life situations; preservation, restoration and strengthening of health of the younger generation; support of the gifted and talented young people; social protection of the elderly living alone.

Since 2007, the Foundation has been actively cooperating with the Republican Council on charitable activities. Every day the Council receives updated information on the funds transferred and a report on a monthly basis to provide statistical and analytical information. During 2015 in the framework of national social projects, benefactors transferred 37 546 396.29 Rubles, out of which legal entities donated 31 892 051.66 Rubles and private persons - 5654 344.63 Rub.

On March 25, 2015 as part of the charity event "The Big Family" during the award ceremony for the winners of the republican contest "Philanthropist of 2014" 4 big families raising over 7 or more children, including foster children and children with disabilities, were awarded the keys to the Lada *Largus* car.

In April 2015 the Association of Commissioners for Children Rights in the Russian Federation declared All-Russian charity event "Day of Knowledge to Novorossia!". The main purpose of the action - collecting school supplies for children in Donetsk and Luhansk People's Republics on the eve of September 1st. Republic of Tatarstan, along with other regions of Russia, joined the action. Through the active participation of public authorities, local governments, businesses and organizations, as well as the inhabitants of the Republic, 440 boxes of school supplies, school and sports uniforms and other items of children's school clothes were purchased to be further donated.

Moreover, before the Day of the Republic, Kazan Kremlin hosted a dinner from Rustam Minnikhanov and his spouse, dedicated to the families of Tatarstan. The event was attended by 50 families.

In late August of this year, Charity Foundation "AK BARS SOZIDANIE" with the support of the Republican Council on charitable activities took an active part in the organization of the fourth festival of brass bands "Fanfares of Kazan". On the territory of the Pushechnyi Court in the museum-reserve "Kazan Kremlin" Museum-Reserve concerts were attended by 11 civil and military bands from all over Russia.

On 20 November, 2015 the Foundation took part in the organization and preparation of the award ceremony of the II Republican contest between information and social videos "Children rights in the world", in which young people of Tatarstan could tell the world about their rights through social videos of own production. The contest, aimed at promoting the UN Convention on the Rights of the Children, information and legal education and active citizenship of children and young people, received this year over 318 works, which was twice as much in last year (in the first year of the competition - in 2014 there were 159 works).

During the reporting period, the Foundation collected a good amount of money, 143 230 706.73 Rubles overall. (Including AK BARS Bank - 13 564 855.44 Rubles, including funds for the administrative and economic activities of the Foundation in the amount of 5 010 086.73 Rubles, "Tatfondbank" - 33 617 663,00 Rubles, other legal entities - 88 336 709.12 Rubles, private persons - 7711 479.17 Rubles) for the following social projects.

"DO GOOD" (the provision of targeted assistance to seriously ill children, support of social agencies working with disabled children)

The main activity of the Charity Foundation "AK BARS SOZIDANIE" is to help seriously ill children within the framework of the project "Do Good".

During the reporting period, 155 seriously ill children got a chance to recover. In total the Foundation directed funds amounting to 36 324 506.53 Rubles for treatment of children.

In addition to providing targeted assistance the Foundation is active in the socialization of children with disabilities.

Since September 2010 in the Kazan zoological and botanic garden the Center for children with disabilities "VzaimoPONImanie" ("Mutual understanding") has been functioning. This Center enables direct contact with horses, as one of the most effective methods of rehabilitation for children with cerebral palsy – hippotherapy (therapeutic riding).

To stabilize the achieved positive results in the treatment and their further development, as well as to create favorable conditions and carrying out studies on the socio-cultural rehabilitation for children with central nervous system diseases at the end of June 2015, the Center next to the indoor arena was opened - Children's interactive communication Center "VzaimoPONImanie" with a 100 m2 premises. The center primarily helps children, who most of their time have to spend in the apartment. Conducting studies on the socio-cultural rehabilitation in such a room will allow to increase its effectiveness. The main benefactors were "RITEK", "AK BARS" Bank, "AIKB" Tatfondbank ", the Ministry of Economy of the Republic of Tatarstan, the Company 'Audex" and Nizhnekamsk branch of "IC" Itil Armeec ".

Since the beginning of the year, the Charity Foundation "AK BARS SOZIDANIE", using the means from the obtained grants of the Ministry of Economy of the Republic of Tatarstan, has been implementing the project "Step Forward", which main purpose is the socialization of 63 primary school pupils of the "Kazan special (correctional) boarding school № 4 type VI" with impaired motor skills, who are not able to move independently. In this regard, the Foundation had purchased special therapeutic devices "Imitron" (walking simulator) and "Ekzarta" designed to restore the lost range of motion with the distance function, and the Foundation volunteers held classes on the social and cultural rehabilitation.

Since 2012 on the basis of the Autonomous Public Health Care Institution "Republican children's neuropsychiatric sanatorium", the Fund with the support from "Tatfondbank" and Kazan State Medical University has been implementing a program named "Good Center of Changes." Within the restorative treatment program in 2015, at the Children's outpatient center for children with disorders of the central nervous system, 123 children with innate central nervous system disease between the ages of 2 and 14 years have been rehabilitated and have improved their physical condition.

Also, each year in the frames of the charity campaign "Spring Watch" "AK BARS SOZIDANIE" attracts volunteers to work on the socialization of "special" children. On June 18th, 2015 in Gorkyi Central Park of Culture and Rest the Foundation organized a literary sabantui "There, on unknown paths...", that was aimed at attracting the interest of primary school children in reading books.

Further support was provided during the reporting period to:

- Autonomous Non-Commercial Organization "Center for Curative Pedagogics "Chudo Deti" for children with severe mental disorders and to the "Fund of systematic medicine" for the implementation of social projects;

- Autonomous Public Health Care Institution "Apastovsky CRH" for the acquisition of goods and materials to equip the chambers of surgical and medical offices;
- Autonomous Public Health Care Institution «Arskaya CRH» and «Interregional Federation of the Disabled People» to purchase medical equipment;
- Municipal budgetary general education institution "Evening (shift) secondary school №34» of the Vakhitovsky district of Kazan for the acquisition of special literature.

During the reporting period for the implementation of the project "Do Good", the Foundation received funds in the amount of 46 188 644.20 Rubles, including AK BARS Bank - 2 040 150,00 Rubles, "Tatfondbank." - 5 115 663,00 Rubles., other legal entities - 31 884 146.79 Rubles, private persons - 7148 684.41 Rub.

In 2015 the Fund provided assistance in the amount of 46 749 184.78 Rubles.

Comparative table on project "Do Good"

Beneficiaries	2013	2014	2015
Children (number)	139	166	155
Social institutions (number)	23	24	21
Assisted in mln. Rubles	21,4	45,3	46,7
Attracted, mln. Rubles	24,2	44,8	46,2
From AK BARS Bank	2,8	2,8	2,0
From Tatfondbank	7,4	14,4	5,1
From other legal and private persons	14,0	27,6	39,1

«We are together!» (*Socialization of children in difficult life situations*)

For several years an orphanage in the Yelabuga municipal district of the Republic of Tatarstan has been under the patronage of AK BARS Bank and the Charity Foundation "AK BARS SOZIDANIE". As of 01.01.2016, the orphanage is home to 35 children.

The Foundation takes an active part in the life of students and graduates of the targeted institution, as well as in addressing the problems of the orphanage. The main purpose of patronage is to improve the world around orphans, to be their support, and to direct them to the right path.

Furthermore, in order to create a favorable atmosphere for the socialization of students in an orphanage, the Foundation creates all necessary conditions for labor and aesthetic education of children. They do all possible to work in a studio, in the garden, take part in the improvement of facilities and the orphanage, patronizing the Yelabuga care home for the elderly and disabled.

Since 2014 the Foundation has been involved in the work of the "School of adopting parents", whose main aim is to promote a family-type placement for children without parental care, and thus to provide full support in resolving issues such as administrative assistance, support for foster families in the field, and communication with the department municipalities and much more.

On 29 October, 2015 in the Tatar State Puppet Theatre "Ekiyat", the Foundation held another award ceremony named "On the banks of the Volga unified family live" that followed the district competition of arts and crafts between the orphanage residents of the Volga Federal District. The competition was held for the sixth time.

The main objective of the competition, which is supported by the Office of the Plenipotentiary Representative of the President of the Russian Federation in the Volga Federal District is the identification and targeted support of young talents among students of orphanages in the Volga Federal District within the district of the ("VERNITE Detsctvo") "RETURN the childhood".

In 2015, the children from the institutions for orphans and children left without parental care, presented about 400 artistic works to the contest from 14 regions of the Volga Federal District. The Expert Committee decided to award prizes to 110 orphanage residents. Children from the Kirov, Samara, Saratov and Perm regions and the republics of Tatarstan, Udmurtia and Chuvashia participated most actively in the contest.

123 children won prizes.

According to the results of the contest in 2016, the winners of the State budget educational institution "Almetyevsk Orphanage" (Republic of Tatarstan) and the Orphanage "Nightingale Grove" (Ulyanovsk region) will visit the Art School "Master-Class" (Moscow) during the spring break to study arts and crafts. The training program will last from 28 to 31 March 2016 during which the leading professors of Gzhel State Art and Industry Institute (Moscow region) and the children's art school "Solntsevo" (Moscow) will participate. Visits to theaters and museums are also a part of the program.

For the realization of this project the Foundation spent 1 116 714,00 Rubles.

«Healthy Lifestyle Planet» (*Popularization of sport and the promotion of healthy lifestyles*)

"AK BARS SOZIDANIE» Charitable Foundation takes an active part in the promotion of healthy lifestyles, and thus many sporting events do not take place without its active participation.

With the financial support of AK BARS Bank, the Foundation assisted in the organization of the Championship of Russia in judo, which was held from 12 to 15 February 2015 in Kazan. The competition was attended by boys and girls up to 18 years old.

In May 2015 the Foundation allocated funds to the Regional Operations Office "Federation of motorsport of the Republic of Tatarstan" for motorcross at the Cup of the Head of the Vysokogorsky district, dedicated to the 70th anniversary of the Victory Day in the Great Patriotic War. Professional riders and amateurs participated in the event.

From July 24 to August 9, 2015 Kazan held FINA World Championship. "AK BARS SOZIDANIE" presented an opportunity for big families to visit the Championship competitions in various disciplines that are synchronized swimming, diving, water polo. In addition, on July 24, 2015, children with their parents were able to see the show "Pilgrim", which was the official show of the FINA World Championship opening.

Winter sports improve mental and physical condition of children with disabilities. Besides developing general endurance, agility, flexibility, winter sports strengthen the immune system and provide muscle tone. In addition to overall positive impact on health, children can get rid of anxiety and stress, and improve their sleep and appetite.

With this goal in mind, the Foundation, together with volunteers, has launched several projects. So, as part of the initiative program "Happy Children" at the specialized (correctional) boarding school № 11 for children with disabilities the Foundation sponsored the frame of the ice rink. This platform will allow the winter volunteers to skate and play hockey with children.

In addition, in 2015 the Fund purchased hockey equipment for children's teams (male and female) in ice hockey of the Apastovsky municipal district of the Republic of Tatarstan. Young athletes, while getting such an unexpected gift, pledged to make a maximum use of their potential and bring victory to the home district.

For the implementation of the social project "Planet of the healthy lifestyle" the Foundation spent 3 802 283,10 Rubles.

«Young talents» (*identifying and stimulating abilities of gifted children and talented youth, assisting to educational institutions with experience of working with young talents*)

The main task of a modern society is to help talented children to create favorable conditions for self-realization and self-actualization. With this purpose Charity Foundation "AK BARS SOZIDANIE" pays special attention to the education and development of gifted and talented young people, implementing the project "Young talents".

With the support of long-term partners of the project during the reporting period, assistance was provided to:

- participants of the national team of Russia in the International Mathematical Olympiad, Volostnova A. and Chernega N.V., who represented Russia in Cape Town (South Africa) in 2014, and won the gold and silver medals in the Olympic Games.

- dancing studio "ASSORTI" for creating costumes for the national and international competitions and festivals.

- winners and prize-winners of international, national and republican Olympiads, Russian and international art contests and sports.

For the purpose of socialization of talented children with disabilities, the Fund takes an active part in the preparation and organization of the professional contest "Best in Profession" for the second year in a row. During the competition, the participants who are graduates of the correctional schools of the Republic of Tatarstan, show their skills in sewing, carpentry and plastering skills. Nine most talented children are guaranteed budgetary places for training in the State budget educational institution Technical School № 63 of Nizhnekamsk.

In addition to this, the Foundation purchased musical equipment and furniture for the Children's Art Centre at the multipurpose center of Kyzyl-Tau that is in the Apastovsky municipal districts of the Republic of Tatarstan, which began its work in early September. The new premises apart from the Center for Children's Activity, host a cultural center, library, medical and obstetric center etc.

In 2015 the Foundation spent 10 787 575,00 Rubles for the realization of the "Young Talents" project.

«In a big family» (Popularization of the institution of the family, targeted support for low-income families with many children)

In order to improve the emotional and psychological well-being and relationships with each other in a family "AK BARS SOZIDANIE" implements the project "In a big family".

In early February, the Charity Foundation "AK BARS SOZIDANIE" invited 40 students of the "Kazan special (correctional) boarding school № 4 type VI" of the Soviet district of Kazan and their parents to visit Kazan aquarium. The children were delighted with a meeting with representatives of marine flora and fauna. Following the tour at the aquarium guests took part in interactive quizzes on fairy tales "Podvodnoe Tsarstvo" ("Underwater Kingdom").

On February 14, 2015, the Foundation organized a visit to the Tatar State Doll Theatre "Ekibat" for 20 disabled children of Kazan and their families. The event was organized as part of the activities with children who are on social and cultural rehabilitation. The activities involved art-techniques, and fairytale- and nature-based therapies. At the end of the performance children participated in the drawings and short stories contest named "Time for a good fairytale" as a part of the Year of Literature in Russia.

On May 6, 2015 during the celebration of the 70th anniversary of the Victory Day in the Great Patriotic War, the students of the "Kazan special (correctional) boarding school №4 of type VI" of the Soviet district of Kazan and their families had a unique opportunity to visit the national cultural center "Kazan" where they met with the "children of war."

Traditionally, with the financial support of AK BARS Bank, the municipal districts of the Republic and the regions of Russia held a national holiday "Sabantuy", during which playgrounds are open to support children from low-income families. This year, for the organization of Sabantuy-2015 the Bank assisted 39 municipal districts of the Republic, and cities such as Kazan, Naberezhnye Chelny and Nizhnekamsk, as well as 20 regions of the Russian Federation.

On the eve of the new school year "AK BARS SOZIDANIE" the Charity Foundation as part of the Republican campaign "Help to prepare for school" organized an excursion for children of Kazan, who are taken care of by the elderly guardians, to the capital of the Republic

of Chuvashia. City of Cheboksary, which is "a pearl of Russia". The guests were greeted with songs, bread and salt.

The funds spent on the project amount to 13 854 291,00 Rubles.

Sightseeing tour of the city included a general city tour, a visit to the museum of V. Chapaev and the memorial park "Pobeda" (Victory), where the future first graders had an opportunity to be photographed against the backdrop of the famous Monument of Military Glory. Children also paid a visit to the Scientific and Technical Museum of tractor history, where they were able to try most of these machines.

At the end of the tour the guests could visit the gift shop and folklore evening, where prospective students received equipped schoolbags from the Foundation.

Funds spent on the project amount to 13 854 291,00 Rubles.

"The sun shines for everyone!" (Assistance to single elderly citizens)

Unfortunately, for some people the old age is a time when assistance and support from other people are necessary. For this purpose, the Charity Foundation "AK BARS SOZIDANIE" launched the project "The sun shines for everyone!".

Since 2008, under the patronage of AK BARS Bank and the Foundation, there is an Arsk care home for the elderly and disabled, which is home to about 50 single people from the Republic.

Each visit "AK BARS SOZIDANIE" turns into a real celebration for the grandparents. Residents share their news of the events that took place in the Care Home in recent years, their memories and experiences. The staff and volunteers of the Foundation always try to give full time and attention to each inhabitant of the Arsky care home, because for every person it is important to be heard and listened to.

In July, for the elderly mentors and their mentees in Kazan, the Foundation organized an excursion to the capital of the Republic of Mari El - Yoshkar-Ola. "Red City" (that is how the name of the city is translated into English from the Mari language) pleasantly surprised them with a riverwalk named after a Belgian city Bruges, the Italian park and majestic squares and bridges. The city has a lot to offer to its guests. These are not only statures of characters from Russian fairy tales that the city is famous for, but also a big musical motion clock and a famous sculpture of "Yoshkin cat." The program also included a visit to the children's equestrian complex "Chudo Koni", where guests were told how to raise well-bred horses.

In 2015, Russia celebrated the 70th anniversary of the Victory of the Soviet people in the Great Patriotic War.

The Charity Foundation "AK BARS SOZIDANIE" together with "Svyazinvestneftekhim", AK BARS Bank and Tatfondbank took an active part in the celebrations of this important date:

- charity events for veterans of the Second World War and home-fronts in the Arsky and Nizhnekamsk municipal districts of the republic were held;
- the living conditions of veterans were improved;
- funds for hosting events dedicated to the 70th anniversary of the Victory Day were allocated to the municipal areas of the Republic of Tatarstan and regions of Russia.

The total amount of money spent is 23 741 742.53 Rubles.

Other projects

The Foundation has been actively cooperating with various initiative groups, whose activities are aimed at improving the social and living conditions of certain categories of citizens, supporting environmental and nature conservation projects, and protecting animals.

In the first quarter of 2015, special attention was given to the social project "Source of Life" (Istochnik Zhizni). The aim of this project is the aesthetic redevelopment of the spring

brook in the Ozernyi residential community, located in the Vysokogorsky municipal district of the Republic of Tatarstan.

Starting with the second quarter of the year, the Foundation together with the volunteers implements charity project "Life to a faithful friend", which is aimed at supporting Stolbischenskoe shelter for dogs. The campaign brings together people who care about the life of homeless animals, and makes bold steps in protecting animals and promotes humane attitude of the society towards them.

In the third quarter, special emphasis was placed on the implementation of the project "Reading nation", which main objective was to popularize reading, and to position it as a decent way to meaningful and interesting leisure.

For several years, with the financial support of AK BARS Bank, the Foundation has been providing charitable assistance to the Municipal Cultural Institution "Kazan zoological and botanic garden" to help maintaining snow leopards (irbis).

In addition, with the financial support of the permanent partners, it assisted in the reconstruction of the town square in the Apastovo town-like residential community and of the park named after Karim Tinchurin, and in holding the IV International Conference "Modern security problems".

For the projects 37 772 847.56 Rubles were spent.

Work with the citizens' appeals

One of the key activities of the Foundation is to deal with questions and complaints of individuals and legal entities. When studying letters from citizens, the Foundation sends requests to the social protection authorities, health care and educational institutions in order to confirm the authenticity of the facts stated in the letters.

For the reporting period, the Foundation received 423 letters with appeals for assistance. The positive decision was made regarding 314 appeals; the negative decision was made regarding 58, and 27 appeals were put under consideration. 24 letters were not considered due to the lack of necessary documents.

The results of the activities of the Charity Fund "AK BARS SOZIDANIE"

- 1) The winner of the republican contest "Philanthropist of the Year";
- 2) The winner of the contest among socially oriented non-profit organizations of the Republic of Tatarstan for the right to receive subsidies from the national budget;
- 3) The winner of the contest among social and cultural projects of "RITEK" and the charity foundation LUKOIL in the Republic of Tatarstan;
- 4) The winner of the regional competition "Replication of best practices by NGOs (organized by the network of NGO resource centers of the Privolzhskiy Federal District);
- 5) The winner of the regional competition of the social advertisements among NGOs (organized by the Charity Foundation "KAF" (Moscow), City Center for Education (Kazan) (2015).

Conclusion

In broad terms, the Corporate Social Responsibility Report 2015 reflects the efforts made to implement social responsibility principles of every-day operations of AK BARS Bank. The report obviously demonstrates that the effectiveness of AK BARS Bank is determined not only by economic indicators and dry figures of the financial statements. It is a certain social atmosphere, a sense of stability, safe working conditions and, of course, a lucrative compensation for a well-performed job that also determines it.