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1. ADDRESS OF THE BANK'S BOARD OF DIRECTORS

Dear friends!

May I present to you the ninth report of AK BARS Bank on the corporate social responsibility.

In 2016 AK BARS Bank began the system transformation. The main objectives of this transformation were set at the end of last year and included in the new Bank Strategy for the upcoming 5 years. The transfer to a new model of a high-technology financial corporation results in creating an open ecosystem that produces impact on all spheres of social life. Therefore, the corporate social responsibility continues to be an important part of the Bank's activities, and success in this sphere is considered a criterion of the evaluation of work quality.

Last year, the Bank continued to work on the priority questions of social policy including support of educational and sports projects and raising healthy lifestyle awareness. The principles of social responsibility are seen in the Bank's recruitment policy, which means that the Bank provides the employees with good salary and social benefits, which are also available for the employees' family members, a professional level of work organization with a well formulated work safety system.

It is noteworthy that the staff is involved in the Bank's social activities. The staff supports all initiatives and contributes to the development of a socially-responsible business.

To sum up, being integrated in the civil society, the Bank continues to be a socially responsible institution that successfully provides bank services and contributes to the positive development of the society.

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 17th position by equity and the 19th position by assets¹ (as of 01.01.2017). Over 3.4 million private individuals and more than 79 thousand corporations are the Bank’s clients. The regional network of the Bank consists of 27 branches, 197 additional offices, 31 cash desks, 10 operational offices and 1 mobile station of cash operations.

The Bank’s priorities constitute such areas as corporate, retail and investment banking, digital 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.

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

3. PRINCIPLES AND STRUCTURE OF THE CORPORATE GOVERNANCE

The corporate governance is a key factor that influences AK BARS Bank's economic achievements and its capability to attract the capital that is necessary for the Bank's gradual and constant growth.

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.

The structure of AK BARS Bank's corporate governance system provides proper balance between all governing bodies, distributes duties, and determines the general operating control performed by the annual shareholders meeting, as well as the bank management carried out by the Bank's executive bodies (the Board of Directors and the Chairman of the Board of Directors).

In the fiscal 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 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 2016, 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.

Shareholders, capital structure

As of 31 December 2016, 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 2016, the Bank has not placed preferred shares.

In December 2016, the Board of Directors organized an extraordinary general meeting and recommended increasing the Bank's authorized fund by locating additional non-documentary nominal shares for the amount of 10 000 000 000 (ten billion) shares and the amount of the Bank's announced shares to 30 000 000 000 (thirty billion) shares and including the necessary corrections in the Regulations.

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.

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 2016, 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 performed 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, maximum compliance with the international standards and 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 2016, at the Annual shareholders meeting, 12 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 2016, 3 people from the elected Board of Directors are independent directors (I.G. Avanesyan, Levin L.Yu., S.V. Shibaev), they also lead specialized committees under the Board of Directors.

In July 2016 the Board of Directors in cooperation with the management and an outside consultant, "PricewaterhouseCoopers Consulting", began working on a development strategy for the Bank. The outcome of the work was the document "Medium-length strategy for the Joint-Stock Commercial Bank "AK BARS for 2016–2021", confirmed by the Board of Directors in December 2016. According to the strategy, a significant rise in the business of the Bank and a transfer implies to the First League (Top 15). Moreover, the Bank gradually implements transformation into the transactional-credit business model.

Committees of the Board of Directors

In 2016, Committees of the Board of Directors — the Audit Committee; the 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 2016, 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 continued the active cooperation with the Bank's auditor, Joint-stock company "PricewaterhouseCoopers Audit". Plans and approaches to the audit of financial statements for 2016, conclusions and recommendation were carried out after the audit work and checks of the Bank's statements. This form of cooperation with auditors let the members of the Committee have full and true information about the audit work, as well as have the opportunity to discuss up-to-date questions with the auditors.

The members of the Committee have also discussed the traditional question of organizing and holding a tender for choosing audit companies authorized to carry out an annual audit for the Bank in accordance with the Russian Accounting Standards and International Financial Reporting Standards. Also, the members of the Committee have given recommendations to the Board of Directors on how to put proposals to the Board of Directors regarding the candidates for the Bank auditors.

During the accounting period the Committee raised such important questions as the introducing of IT-decisions to the Division of internal audit, as well as the introducing of internal procedures for a sufficient capital evaluation. The results of the evaluation of efficiency of the internal control and risk management systems have also been reviewed.

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 2016, the activities of the Committee for Personnel and Remuneration were focused on transforming the organizational structure of the Bank within the framework of applying complex measures to optimize the Bank's spending. The issues related to monitoring of the level of unplanned staff turnover were under the spotlight of the Committee members.

The members of the Committee have also paid a lot of attention to the efficiency and performance review of personnel, personnel costs compared to the information from the local banks as well as banks similar to AK BARS Bank in terms of the business volume and regional presence.

During the year, the Committee also considered the issues regarding the main directions of the Bank's strategy in the field of remuneration (in terms of ranks, cities (points of presence), and in comparison to the competitors of the Bank); 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 4 members of the Board of Directors. 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 questions of sufficient funds including the system of internal procedures of the evaluation of a sufficient capital, the questions of processing active operations based on RAROC, determining the risk in reference to business and the risk in reference to the Bank, accepting a job following the model of economic capital, controlling the condition and level of liquidity at the Bank and measures taken to provide it were included in the agenda of the Risk Committee's meeting.

The Risk Committee has paid a lot of attention to the question of putting to work the Directives №3624-U of the Central Bank of the Russian Federation "About requirements to the system of risk and capital management in a credit organization and banking group". To fulfill these requirements, the Risk Committee controlled the processing and confirming of the event plan, normative documentation, and the application form about the risk, as well as the procedure of introducing the reports of internal procedures of the evaluation of a sufficient capital.

The members of the Risk Committee provided sufficient consulting support to the Bank's management in designing internal documentation referred to capital management and the organization of internal procedures of the evaluation of sufficient funds.

○ 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 6 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 2016 became adjustment of the Bank's short-term development strategy aimed at enlarging the business, strengthening its risk management functions, the development of the IT-platform, development of the risk management system and a wide spectrum of new digital services, which will allow the Bank to improve its offers and services. During half a year, from June 2016, the members of the Committee worked closely with the Bank's management taking part in a lot of strategic sessions to discuss the purposes of the Bank and its further development, to put forward proposals to design strategic initiatives (119 initiatives overall) etc. The outcome of the cooperation was the document "Strategy of Development for the Joint-Stock Commercial Bank "AK BARS" for 2016-2021, which was recommended to the Board of Directors to approve. The members of the Committee kept monitoring the realization of the main directions of the development of the Joint-Stock Commercial Bank "AK BARS", and on a quarterly basis were present in the report sessions where the Bank's budget was discussed. At the end of the year, the members of the Committee considered and recommended to the Board of Directors the budget of the Joint-Stock Commercial Bank "AK BARS" for 2017.

The approved Committee's short-term development strategy results in the active development of the main types of the Bank's activities, which would require the growing of the Bank's capital, that is why in December 2016 the Strategy Committee considered the extra-curricular question "About the growing of the authorized capital" for the amount of 10 billion rubles by locating additional non-documentary nominal shares and recommended the Board of Directors to initiate the extraordinary meeting of the Board of Directors to discuss this question.

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.

In 2016, the following key measures aimed at the enhancement of the efficiency of personnel management were carried out:

- Organizational design
- Organization of the recruitment process
- Personnel motivation
- Training and Development activities for the personnel
- Development of the corporate culture
- Work safety

Training and development of personnel

A complex study plan is executed in this field every year. The plan includes all personnel categories and contains 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. In 2016 new software was introduced in the Bank — Oracle Siebel CRM.

Corporate culture

Realization of the program on the retaining of the “preferable employer” image.

The competent internal social policy provides the Bank’s employees with quality educational, medical, and cultural services, as well as executes the programs of support for retired employees who have worked at AK BARS Bank for many years. 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;
- provides the Bank's employee with the harmony of ethical and material values;
- motivates each employee to reach high personal goals and effective teamwork.

In the normative document "Remuneration system policy for the employees of the Joint-Stock Commercial Bank "AK BARS" the main principles and components of the remuneration system are determined.

The Joint-Stock Commercial Bank "AK BARS" takes care of the well-being and social safety of the employees and their families. In the system of socially responsible regulations of labor-related questions and employment the Bank is lead by its experience as well as international standards in the field of corporate social responsibility.

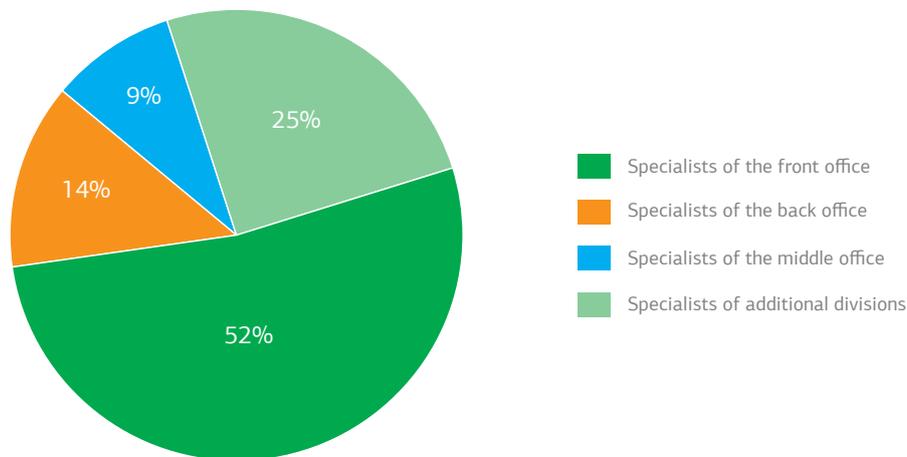
The social policy of the Joint-Stock Commercial Bank "AK BARS" is executed in accordance with the normative document that was confirmed. It is Regulations of social support at the Joint-Stock Commercial Bank "AK BARS" where the order and amount of financial aid and social support payments are discussed.

4.1.1. THE BANK'S STRUCTURE OF PERSONNEL

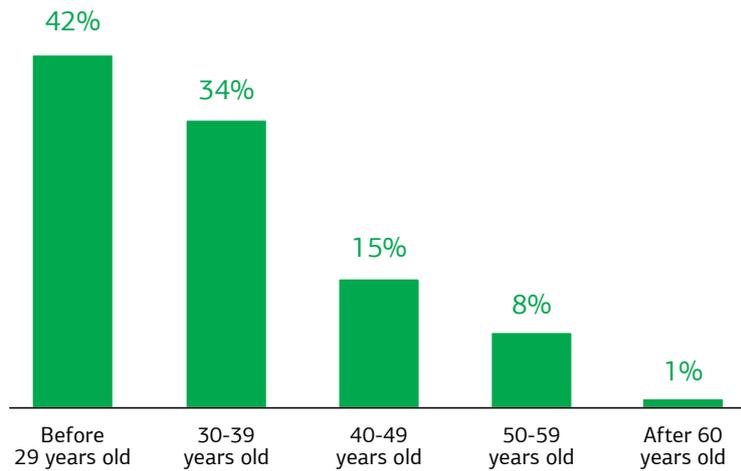
The average headcount of the Bank's staff as of 1 January 2017 constituted 5393 people, at that, the share of workers of the territorial network was 57,2% (3084 persons), and 13,9% (749 persons) for the Shared service center, and 28,9% (1560 persons) for the Head office.

The largest share of personnel in 2016 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 25%. The shares of specialists of the middle and back offices were 9% and 14%, respectively.

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

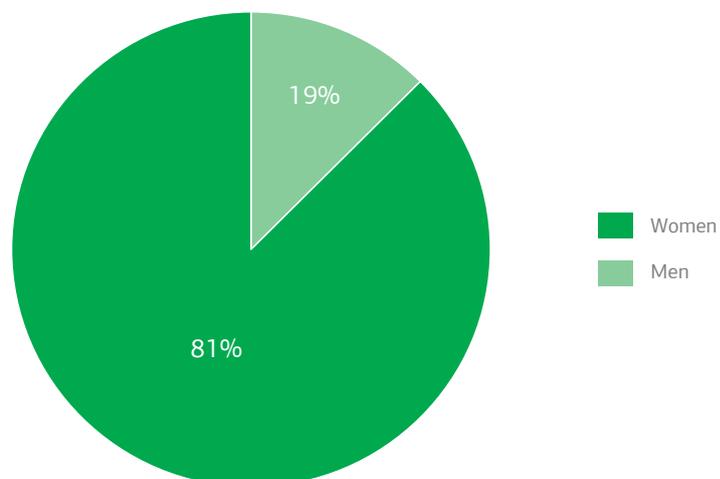


The Bank conducts the policy of hiring young professionals and graduates, collaborating with relevant institutions throughout Russia, and this is reflected in the age composition of the staff. In 2016, the number of employees under 29 years was 42% of the total number of the Bank's employees. 34% of those aged up to 39 years old work at the Bank.



The gender composition of the staff remained unchanged, and its main share of employees is represented by females, 81%.

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.

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 2016, 98 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.

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.

Specialized literature was added to the universal electronic library at local. abb. Over 2016 there have been added 12 books.

In support of the Immortal Regiment movement 26 employees of the Bank with their families and children came to pay to their great-grandfathers, grandfathers, grandmothers, fathers, and mothers for the Victory in the Great Patriotic War.

In the park of attractions “Kyrlyay” the quest “The world of cheerful childhood” was organized. 180 employees of the Bank, that is, 30 teams from different divisions of the Head office, the Shared Service Center, and Kazan branch, took part in it. In the second and third quarter of 2016 two quests for 90 workers of the small business and at the were organized.

During the Bank’s birthday celebration, there was a show “Book of Records” organized. 10 videos were sent from the Head office/the Shared service center, and from the Bank’s branch network. 3 winners were selected by voting on the internal website and awarded.

Annually, various team building activities are organized for the Bank’s outside providers. In 2016, the training was organized for 25 employees of the Department of Strategic Development and Corporate Communication.

The Bank’s employees’ kids are given attention too. They too part in a tour to the farm “Tatar Ostrich” and the airfield “Kurkachi”. During the first half of the year, different excursions were organized by the Department of Financial Settlements of the Head office to introduce kids to the main products and procedures of the Bank. Annually, the Bank holds a show for the employees’ children, this year the show was named “In the world of animals”. All participants were given prizes. In 2016, the show’s committee reviewed 250 projects from kids of different age groups.

This year, the Bank organized the campaign “Summer smile” at which more than 100 children’s photos were presented. The committee announced 5 winners.

Besides team building events, the Bank pays a lot of attention to professional competitions. In 2016 the professional competitions were held in two directions: (1) “Competition between directors of Additional offices of the Bank” and (2) “The Best specialist working with the clients of Kazan branch”. The Bank continued to host the campaign “The photo of the week” for the employees. The best photos posted on Instagram with a hashtag of the Bank are published on the first page of the internal corporate website under different categories (events, nature, animals). More than 60 employees took part in the campaign, 132 photos were published. The campaign brought together a lot of positive responses from employees.

The campaign “Know our professionals!” is a new project for the Bank. During this event the employees were telling about their colleagues and about how their watchwords are reflected in the daily routine. The employees from 27 departments of the Head office, the Shared service center and the Bank’s branches were involved in the event.

Throughout the year the employees have taken part in the city’s sports events such as “Russia’s Ski Marathon” and “Nation’s marathon”. More than 1600 employees of the Head office, the Shared service center, and Kazan

branch took part in these events. 16 people who demonstrated the best results in their age group were awarded.

Over many years, the Bank has taken part in a lot of charity events. In 2016 the employees collected more than 30 kg of coins (19600 rubles) within the framework of the campaign “Everybody’s life matters”. Moreover, the blood bank was restocked by more than 25 litres within the framework of the annual campaign “Give a life — become a donor”.

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.

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 hiring them. 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 subject areas were chosen in accordance with the following:

- the syllabus for the employees of the Bank for 2016 that is approved by the corresponding department;
- amendments in the legislative acts, the Bank's internal business processes and products;
- a new development strategy and amendments in the staff structure.

The training programs that were aimed at educating and developing the personnel and that took place in 2016 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 2016, more than 4000 employees were enrolled in the training programs. These figures include 250 employees of the head office who took part in external training programs, such as seminars, conferences, and forums.

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 2016 in the field of retail business the following 3 strategic/training sessions were held:

1. A session in the first quarter of 2016 for 42 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 strategic session in the second quarter of 2016 for the employees of the “AK BARS Persona” offices from different regions;
3. September 2016 — a strategic session for directors of retail businesses of the branch network (director and associate director) regarding the staff structure. The event was held by the deputy chairman T.A. Zharkova. 45 leaders were involved in the event.

In the field of corporate business the following 4 strategic sessions were held:

1. A strategic session for the employees of large and medium-sized businesses was held in April 2016. 27 employees of the branch network and the Head office took part in it.
2. A strategic session for employees of small businesses was held in May 2016. 48 employees were involved.
3. September 2016 — a strategic session for 35 employees providing cash and settlement services to legal entities.
4. October 2016 — a strategic for corporate business for 35 employees of the branch network. The second day of training during this session included training for two groups with questions “Personnel management, sales forecast” and “Questions in sales — effective instruments in sales and knowing the clients’ needs” (the company “People’s capital”).

In order to develop a sector of how to deal with overdue debts, in the second quarter of 2016 the Bank organized a training program for employees of the Department of problematic assets of the Head office and the regional network. In August 2016 a strategic session was organized and held in cooperation with PWC.

In order to raise the qualification of the employees of the Service of internal audit in the fourth quarter of 2016 a two-week strategic session was held. 35 people took part in it. The first day of training was dedicated to studying the software complex CRM, the training was done by the company PWC.

Within the framework of the internal training system 21 programs of adaptive training for 1238 employees were conducted. Adaptive programs are directed at lowering operational risks and controlling of probationary periods of the newcomers, as well as transferring to a new job position. Over 2016, the following programs were realized:

- “Welcome training”, the purpose of which is to introduce the history of the Bank, the corporate values, and main work principles to a newcomer;

the training is carried out for more than 100 newly accepted workers of the Head office and the shared service center;

- “Cashier’s school”: 9 groups (82 employees) were trained;
- “School for specialists who work with clients”: 6 groups (61 employees) were trained;
- “School for the economist of a small business”: 2 groups (40 employees) were trained;
- “School for verifiers”: 3 groups (7 employees) were trained.

In 2016 the following advanced training programs for directors were realized:

- a complex 3-month program for 26 directors of additional offices of Kazan branch under the topic “Effective leader”;
- the training program “Effective leader” for more than 150 directors of the structural divisions of the Head office and the shared service center;
- the employees of the Bank took part in the Federal training program for directors: 8 directors of the Bank (1 from Kazan branch and 7 from the Head office) took part in the Presidential program within the framework of preparing management staff.

Because of the introduction of the new complex CRM software to the front office of retail business of the branch network, a large full-time program was realized by the Department of Evaluation and Staff Development. The Department was running the event for 7 months in 2016 (April to October 2016). Training was received by 1500 employees who were specialists who work with clients, employees who develop retail business, and directors of additional offices.

The training programs were held within the framework of the realization of priority Bank’s projects, for example, the participation of the Bank in “Finopolis-217”. During the realization of the project “Citizen’s map” based on the Zelenodolsk branch, a complex program was realized. The program helped to train 24 designers and 5 consultants. The program involved the introduction of a new project, skills, and technical training.

Because of the approval of a new Bank strategy, training for all employees of the Head Office and the Shared Service Center was organized. The leaders of structural divisions organized training under the topic “Bank’s Development Strategies” for employees of different divisions. Overall 28 seminars were organized for 1389 people.

In order to solve the business-problems that were set by management teams of the structural divisions of the Bank, a training program directed at the use of the new methodologies “Agile” and “Scrum” was organized. 25 directors of the head office, as well as the Board of Directors received training.

A big sector of training became staff training caused by the changes in the staff structure in the retail sector of the Head Office and the branch network. Working sessions that included training and evaluation were organized for

70 employees in retail business of the Head office (Department of retail business, Management of the personal bank services and 4 employees of the contact center) and 210 directors of the structural divisions in the retail business of the branch network (directors of additional offices, directors of sales offices in retail business, directors of divisions of retail business development).

Besides the programs given above, the distance learning program was held. The program involved webinars that were organized following the changes in the products and normative documents of the Bank.

The program included online courses. A new distance learning course was introduced following the rules of behavior in case of cyber attacks at the Bank.

The “Electronic library” is still used at the Bank that is renewed with new business literature.

Institute of internal coaches

Since 2014, the project of the Institute of internal coaches has been executed. The purpose of the project is the effective use of resources and creating a system of storing and sharing this knowledge. In the regional network there are 2 business-coaches who educate people about the branches’ products and provide training programs. In Kazan branch a group of 2 coaches works with the Bank’s specialists. The group includes a person who works with customer relations specialists and a person who works with customer service specialists.

Two coaches have been working with 12 branches of the Bank (5 branches in RT, 7 branches in the Russian Federation).

In 2016, 65 training programs were organized for 636 employees of the branch network under the following topics: “Standards of client management”, “Cross-sales”, “Without a line”, “Cold calling”, “Address offers”, “Effective negotiations”. More than 60 directors of the structural divisions (office directors, department directors) received knowledge at the training program “Effective directors”. Cooperative work of the internal coaches and directors lets the Bank save the Bank’s management potential, accelerate the introduction of corporate standards, improve skills and knowledge. The topics of these training courses are chosen carefully, based on certain needs. The program is built upon corporate standards of the Bank and executed projects, which help the trainees to apply the knowledge right after the end of the training course.

Innovative technologies in training

The main innovations in training and staff development for 2016 have become the procedure of supervision, as well as HR-partnership that was realized through the resource of internal coaches in the branch network.

Supervision is a system of professional support for employees that is aimed at the development of employees, which helps not only to control how the standards and sales engineering are followed in the branch network, but also to improve these criteria by developing the feedback from the director to the employee. Besides supervision, which was carried out during the year on a regular basis by the directors, the Department of evaluation and staff development, including the Institute of internal coaches, has evaluated the service quality and sales techniques among the employees of the branch network when the supervision was in process.

At the end of 2016 the position “internal coach” acquired the meaning “HR-partner” who helped the branches realize their tasks by way of developing business. The HR partner takes part in all the branch’s events, controls and supports the staff development process, and the plan of events targeted at high results in the retail and corporate business.

Candidate pool

At the beginning of 2016 the Board of Directors approved a new edition of “Regulations for creating a candidate pool for the Joint-stock company “AK BARS” Bank” that contains the new principles of the order of training the candidate pool for the top management positions, the principles of the order of forming an administrative candidate pool and a candidate pool for general positions.

In accordance with the new regulations of how to form a long-term candidate pool, the employees of the Head office, the shared service center, and the Bank’s branches received the opportunity to change their profession and were included in the long-term candidate pool. After the applications are received, the Department of evaluation and personnel development starts choosing the staff based on the main criteria after which the best candidates take part in evaluative events in the form of testing and interviewing the experts’ committee.

During 2016, over 30 meetings have been conducted and the following questions have been discussed:

1. Analysis of credit requests (in the retail and corporate business)
2. Financial and analytical work (analysis, planning, building a budget)
3. Accounting of a business’s operations/salary
4. Accounting of the bank’s operations regarding the products in the retail/ corporate business;
5. Information technologies in the bank business;
6. Methodology of products and processes of corporate/retail business;
7. Sales to the clients of the corporate/retail products;
8. Work with overdue debts (realization of assets);
9. Assisting the products of corporate/retail business;
10. Expertise of caution money;
11. Law;
12. Risk management (both credit and operational risks).

The Committee involved the directors of the structural divisions of the Head office and the Shared service center. As a result of the meetings, every second candidate was included in the candidate pool for a further transfer to a job position.

In 2016, the employees sent 213 requests to be included in the candidate pool, including the requests for replacement positions in the Head office and the shared service center, as well as 43 requests to be included in the candidate pool of the branch network. Over 2016, seventy candidates have been included in the candidate pool of the Bank and half of them was transferred to new positions.

4.1.7. EVALUATION OF THE BANK PERSONNEL

Traditionally, with the purpose to follow the customer service standards (aimed at private persons) quarterly activities under the name “Mystery customer” targeted at evaluating the quality of service provided by the specialists of the front-office of the branch network were carried out. Over the year, 246 points of sale and 480 employees were tested.

The administering staff of the area network, including 60 directors and the assistant directors of branches, was evaluated at the end of last year. The evaluation included the analysis of the work efficiency based on how the performance goals were reached as well as on the directors’ competence. In order to diagnose the progress of the key competences of the managers of the branch network, an independent procedure of the Assessment center was implemented.

The procedure of selective evaluation of the employees of the Shared service center targeted at increasing control from the director’s side and the development of self-control of employees, which is planned to be held for each division twice a year, involved all the directors of the Shared service center and 161 general employees.

The requalification held in 2016 involved checkout employees of the area network who were not found qualified for their positions following the evaluation in 2015. 38 customer service specialists were evaluated.

The important direction of activities targeted at the increase in efficiency and motivating the Bank’s personnel is the evaluation of their performance. An extraordinary evaluation procedure involving 14 retail sector employees of Izhevsk branch was implemented in 2016. Also, the knowledge of 60 employees of the Transaction Processing Department and the Department of Retail Business Development of Kazan branch was evaluated.

A more massive event in the evaluation of personnel was the procedure of complex evaluation of performance and the level of competences developed by the directors of the retail sector of the branch network. This evaluation program was executed by the Department of Evaluation and Personnel Development with the purpose to change the management model of the area network. The evaluation that included the analysis of efficiency and more than 10 competences involved 224 employees. The event that were held let the evaluators to create a ranking of the directors of the retail sector and carry out a necessary rotation of staff at the end of 2016.

On top of that, the evaluation events in the form of case tasks, oral interviews, and tests, are an important part of implementation of any educational program as an instrument of post-training activities.

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 employee to 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.

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 epidemics.

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. A modernized and comfortable working place increases performance and develops the potential of each employee. The Bank meets all the requirements to the working place, including when a new point of presence is opened.

Moreover, the Bank works out the internal work regulations that must be followed at work by the personnel. They determine the process of hiring and elimination of the employee, main rights and responsibilities, work schedule, break schedule, bonus and penalty system, and other questions regulating work relations.

Taking into consideration the interests of retail business services and making the work of the area network standard, the Bank introduced the standard "The mode of serving customers of AK BARS Bank in the regional affiliates that offer retail business prices". 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 team, to help staff to reduce stress and relax.

AK BARS Bank welcomes team sports. It holds tournaments in such types of sport 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 "Sports Russia – 2016", "Russia's skiing marathon", "Nation's marathon" and received prizes.

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 1600 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 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 2016 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 of creation a positive image of the employer among students of higher educational institutions and attract young professionals:

The annual program of “Scholarships of AK BARS BANK” was implemented in 2016. 45 students from the universities of Kazan, Naberezhnye Chelny, and Almet’evsk took part in. 34 students were selected and invited to the second round based on their performance. They were interviewed by the stipend committee that included the leaders 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 2016 the following events took place:

- February 17, Kazan Bank School was visited to make a presentation about the Bank’s vacancies;
- February 24, a meeting with 3rd -year students of Kazan National Research Technical University named after A.N. Tupolev was held in order to make a presentation about the Bank’s vacancies;
- March 1 and 2, a meeting with students of Kazan Innovative University named after V.G. Timiryasov and Kazan Research National Technological University in order to present on the topics of recruitment, training, and participation in the project “Scholarship”;
- March 15, a meeting at Kazan National Research Technical University in order to present about the Bank’s programs for students (training, competition “Scholarship”, finding a job);
- March 23, meetings with the students from the Department “Banking operations” of Kazan Federal University were held;

- March 28, a meeting with the students of the Department of Law of Kazan Innovative University named after V.G. Timiryasov in order to present in the topic of recruitment, training, and participation in “Scholarship” programs;
- March 29, a meeting with students of the Physics Department and the Department of Cyber security was held in order to tell the students about vacancies for young professionals;
- March 31, the Bank took part in the event “Career days” in the Institute of Mathematics and Mechanics named after N.I. Lobachevsky of Kazan Federal University;
- April 5, meetings with 10 groups with a major in Accounting, analysis, and audit and 3 groups with a major in Taxes and taxation were held in order to tell about the Bank’s vacancies; 3 groups with a major in Economics of the enterprise and organizations, and 4 groups “Finances and credit”, meetings with students of the Institute of Economics of Kazan Federal University with a major in Business analytics.
- April 18, a meeting with 2-year students of Kazan Bank School was held in order to tell about the vacancies;
- April 19, a meeting with graduates of the Faculty of Economics of Agriculture University was held in order to tell about the open vacancies;
- April 22, the Bank took part in the Career trade fair of Kazan National Research Technical University where open vacancies and the program “Scholarship” were presented;

In order to realize the staff replacement with the project “Without a line” in the city of Zelenodolsk, the following visits were made:

- May 25, branches of Kazan Innovative University named after V.G. Timiryasov, where a presentation for a group of 20 people was held;
- May 26, a branch of Kazan National Research Technical University, where a meeting for a group of 30 people was held;
- September 6, the Bank took part in the Career trade fair for the graduates of Kazan National Research Technical University, where the main vacancies and the project “Scholaship” were represented;
- October 12, Kazan Federal University where a lecture for 2-year Economics students was held in order to form a positive image of the employer and tell about the vacancies and training opportunities;

Also, the Bank took part in a Career fair for students of Kazan National Research Technical University in order to tell about additional vacancies for the project “Without a line” that is realized based on Kazan branch, and staff development process for the Department of Information Technologies with a concentration in Technical support and the opportunity to be employed half-time.

An additional instrument to form the candidate pool for AK BARS Bank was training in the field and before graduation practice for students of the institutions of higher education. Over 2016, the number of trainees in the Head office was 41 people.

5. WORK SAFETY

Labor conditions have a strong impact on the effectiveness and economic results of the work of organizations of any form of ownership. The personnel's health as the main productive force, their level of life and personal development depend on how the work safety policy is organized. The Joint-stock company AK BARS Bank has set its goals that will provide the highest level of safety during the working process.

To continuously improve the work safety, the AK BARS Bank strives 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.

The Bank follows the Regulations of the work safety policy, the policy regarding the personnel's work safety when the facilities are in service, the Regulations "Training and knowledge check regarding work safety", the Regulations "Order of the personnel's medical check", Regulations "Provision of special clothing as well as antiseptic sources that are free for the personnel".

Annually, the Bank conducts planning and financing of the events in work safety. While labor inspection was conducted and the inspectors checked if sanitary regulations were followed and if antiepidemic (preventive) measures were taken, a laboratory analysis of harmful physical factors was carried out at 179 work places. At the beginning of 2017, 1866 work places were checked. All employees are informed about the results of evaluation work on time.

The Bank has signed an agreement with "AK BARS MEDICINE" so that a health center was available in the head office of the Bank. The health center provides emergency health care, examination and consultancy, and

some medical procedures. 24 hours a day drivers have departure and arrival checks. In 2016, 994 people got regular check-ups, and 1106 newcomers got their first check-ups before they went into work. All employees are given the opportunity to have X-ray examination. Some employees of the Head office, the Shared service center, and Kazan branch were voluntarily inoculated against flu. Overall, the coverage was 270 people. Sanitary points at the health center serve as emergency points so that employees can be helped on time. These activities let the doctors evaluate the employees' health state and give a diagnosis on time.

All employees of the Bank receive training in work safety and an examination in requirements to work safety in accordance with the order determined by the corresponding legislation of the Russian Federation. 277 leaders and specialists successfully received training in work safety, including 272 people who also received internal training. Instructions at the work place were given 18000 times.

The newcomers, no matter what education they have, receive introductory training in work safety. The film "Introductory training in work safety" is used to organize training.

Employees are taught by means of the computer-based platform IBM Lotus Notes and a distance learning program, access to which is open to all the employees dealing with PC.

The spending on the events in work safety at the Bank reached the amount of 6 million rubles.

During the report period over 3500 questions were sent to the Department of Work Safety. In each case a necessary consultation was provided in accordance with the current legislation in work safety.

Effectiveness of these events in the prevention of industrial injuries at work was proved by the fact that no accidents took place at the workplace.

6. SOCIALLY RESPONSIBLE PARTICIPATION OF THE BANK IN THE DAILY LIFE OF THE COMMUNITY

AK BARS Bank continues to fulfill its social responsibilities. Year after year, the social work continues to develop. The Bank provides help to the vulnerable segment of the population, orphaned children, legally free children, multi-child families, and families with a low income, veterans of war and labor, and retired people. Charity projects of the Bank are targeted and implemented jointly with the Charity Foundation — “AK BARS CREATION”.

Total social investment of the AK BARS Bank in the reporting period amounted to more than 200 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 these letters are so extensive that they require peer review and collective decision-making process. For more than 14 years the Sponsorship and Charity Commission has been successfully operating in the Bank, which allows pursuing systematic, modern and efficient patronship.

The Sponsorship and Charity Commission is based on the understanding of charity as an important element of the whole complex of qualities of a business and its culture. First of all, it means the fulfillment of a moral obligation in front of the older generation who left us priceless cultural heritage, and in front of the future generations.

The Sponsorship and Charity Commission of the Joint-stock commercial bank “AK BARS Bank” is based on the following principles: a systematic approach to the implementation of long-term programs, a strive to implement each of them, open-mindedness in decision-making, corporate responsibility.

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 the PJSC 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 2016, the Bank considered 313 letters from citizens and organizations from different regions of Russia, 115 of them have received a positive decision (37%). Many own charity projects of the AK BARS Bank were implemented by Charity Foundation — “AK BARS CREATION”.

6.2. ASSISTANCE TO THE EDUCATIONAL INSTITUTIONS

Social investments in the human capital seem more reasonable in the modern life. “AK BARS” Bank strives for a balanced approach by providing help to children who find themselves in unfavorable family conditions or their health than their peers and to children from favourable family setting helping them to develop their natural talents and opportunities.

In 2016 AK BARS Bank continued the tradition of supporting education. In the report period charity support was given to the fund “Future generation”, the Faculty of Law Of Kazan Federal University, the Republican project “Candidate pool”, the Republican contest “Up”, the Republican youth program “We...are the world”, the regional social organization “Academy of creative youth in RT”. The Bank financially supported the 50th research and practice conference among forensic doctors of RT and the meeting of the Volga and Ural Association of forensic doctors with international speakers.

“AK BARS” Bank provided charity support to the solemn event dedicated to the 65th anniversary of Sevastopol Higher Marine Engineering School, which is the breeding ground of engineers of the nuclear submarine service of the Soviet Union and Russia. Also, the Bank supported the XI International school-workshop for young lawyers. The Bank provided sponsorship support targeted at the release of the book named “Introduction to Islam finances” about the mechanisms of Islam financing and modern instances of Islam finance institutions.

“GIFT TO A FIRST GRADER”

AK BARS Bank annual offer “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 20th 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 2016, 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.

In 2016 the Bank provided funds to purchase backpacks and all the necessary things for the kids at Elabuzhsky, Mendeleevsky municipal districts, and Stolbishchensky secondary schools of Laishevsky municipal district of RT under the Republican offer “Help to get ready for school”.

The socially oriented activities of the Bank are targeted at the all-round development of youth and children, including the implementation of the Bank’s educational projects. Thus, the program “Scholarship AK BARS Bank” was designed to support the most talented people of the Republic. 10 students – the scholarship grantees — were awarded certificates and a monthly stipend for a year. These students were also offered to have training with an opportunity to work at the Bank in the future.

The Bank traditionally supports the long-term innovative educational program — “50 the best innovative ideas of the Republic of Tatarstan”. In 2016 the sponsorship helped 10 young researchers, who presented up-to-dated works in the field of science and technology progress, develop their own research projects.

6.3. ASSISTANCE TO CHILDREN WITH DISABILITIES AND CHILDREN WHO FIND THEMSELVES IN DIFFICULT LIFE SITUATIONS

Based on the principle of social responsibility, AK BARS Bank assists seriously ill children, children with disabilities and children in difficult life situations. In 2016, 35 children received a hope for recovery due to the Bank's financial assistance. Assistance was provided to children with problems with the musculo-skeletal system, hearing and breathing, which could receive treatment or undergo a rehabilitation course in leading medical institutions not only of 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

By admitting the necessity to form a healthy civil society Bank provided financial and organizational help to the social and rehabilitation center for children with deviant behavior for them to take part in the international cinema contest “Young cinema”. Also, it provided support to Apastovsky municipal district to send orphaned children and children from large families, Krasnodarsky district, Nizhnekamsky branch to organize events dedicated to the 25th anniversary of the Children’s Psychoneurological Centre, and the Disabled Children Gratuity Fund “Hope”.

Within the framework of the program “Create the good” organized by the Charity Fund “AK BARS Sozidaniye”, donations were made to social institutions working with children. In particular, the Joint-stock commercial bank “AK BARS” Bank purchased a TV for the playroom of little patients of the Autonomous Public Health Care Institution “Central City Clinical Hospital №18”, «A first grader kit» for the children of the Autonomous Public Health Care Institution “City Children’s Hospital №1”, milk formulas “Malyutka” for infants who are found in the Autonomous Public Health Care Institution “Specialized Republican Children’s House”.

In 2016 the Bank continued to monitor the nursing home for the elderly and disabled in Arsk, as well as Orphanage in Elabuga. The Bank provided financial support and presents to these organizations. Besides, Nizhnekamsk branch of “AK BARS” Bank received donations to purchase product kits

for sponsored organizations in celebration of the International Day of the Elderly.

On June 16, the Charity Fund “AK BARS SOZIDANIYE” together with the Republican blood transfusion center carried out the activity “Donor’s Day” in celebration of the World’s Donor’s Day among employees of the Joint-stock commercial bank “AK BARS” Bank. 62 employees were involved in this activity. Money received from blood donations were transferred for the rehabilitation of 5-year old Maksim Savelyev who had suffered from ischemic stroke.

VICTORY DAY

Victory Day in the Great Patriotic War is the most important holiday for our people. AK BARS Bank annually honors veterans of war and labor across Tatarstan and regions of Russia. Financial support before the holiday was sent to Aksubaevsky, Apastovsky, Mendeleevsky, Nizhnekamsky, and Tetyushsky Districts of the Republic, Vahitovskiy, Volga, Moscow, Kirov and the Soviet districts of Kazan. Allocated funding has been directed to hold solemn celebrations, charity dinners and concerts, as well as for the organization of fireworks.

On top of that, the employees of “AK BARS” Bank took active part in the program “The Immortal Regiment” on May 9 in Kazan.

6.5. SUPPORT OF SOCIAL AND CULTURAL PROGRAMS

The sponsorship help of the Joint-stock commercial bank “AK BARS” Bank is targeted to support and promote cultural and educational projects purpose is to secure the cultural heritage. In 2016 “AK BARS” Bank traditionally donated money for the celebration of Victory Day, Sabantuy, and the New Year’s Day in the Republic of Tatarstan. Traditionally the social organization of Kryashens received donations for the celebration of the national holiday Pitrau. In 2016 the Bank provided financial support to the fund “Vozrozhdeniye” for building Bolgar Islam Academy and reconstruction of the Cathedral of Our Lady of Kazan. “AK BARS” Bank provided sponsorship support to the event “Wind of change” that was held in the State Kremlin Palace (Moscow). The main purpose of the project is extending into the world’s music arena and the promotion of the tatar music culture in Russia and beyond.

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

Throughout 2016 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. Besides, in the city Naberezhnyye Chelny “AK BARS” Bank supported the opening of the alternative Kazan KidSpace and the station Bank was located.

6.6. SUPPORT TO SPORTS

Recognizing the main role of patronage and sponsorship for the promotion of culture and sport under the conditions of market economy, “AK BARS” Bank provides financial support to a number of organizations.

In 2016, the Bank traditionally served as a sponsor of the children and youth sports school “Volna”, a financial partner of the hockey club “Ak Bars” and “Neftekhimik”. Besides, new sponsorship projects with the football club “KAMAZ” and the hockey club “Dinamo-Kazan” were started. Also, as a charity project in the field of sport the support to the hockey club “Fakel” for organizing statutory activities was provided. Financial support was also given to Apastovsky district of RT in order to purchase furniture for the ice palace “Altyn Alka” and for the repairing of billiard tables.

6.7. SUPPORT TO CONFESSIONAL COMMUNITIES

The inherent part of the charity activities of the Bank is the cooperation with religious institutions and national groups. Providing support to the representatives of different confessions with the purpose to secure cultural traditions, the Bank contributes to the formation of tolerance in our society. This report year financial support was given to the local Old Believers' Religious Organization for the reconstruction of the roof of the crypt-chapel and the parish of Kazan Bogoroditsky Church in Kazan for reconstruction works at the Sunday school of the church.

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, the chairman of which is the President of RT R.N. Minnikhanov. 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 2016 in the framework of national social projects, benefactors transferred 23 390 424,01 Rubles.

During the reporting period, raised the amount of 105 419 856.48 Rubles (including AK BARS BANK — 20 141 212.00 Rubles, including funds for the administrative and economic activities of the Foundation in the amount of 5 852 380.00 Rubles, “Tatfondbank” — 10 042 898, 56 Rubles, other legal entities — 69 854 539, 63 Rubles, private persons — 5 381 206, 29 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 2016, 170 seriously ill children got a chance to recover. In total the Foundation directed funds amounting to 35 642 165.25 Rubles for treatment of children.

The activities of the Foundation are not limited by one-time care provision to heavily-ill children. The whole system is functioning in order to socialize children with disabilities. So, for high school-goers with muscle skeleton disorder who go to «Kazan special (correctional) boarding school № 4 type VI» in the Soviet district in Kazan the Foundation “Sozidaniye” purchased a special kinesiotherapeutic device «Imitron» (walking simulator) in addition to the “Imitron” for primary school-goers, and “Ekzarta”, which were purchased earlier.

In November 2016 the Foundation started the realization of the project “Theater of equal opportunities” that was started with the grant of the Competition of social and cultural projects of the Joint-stock company “LUKOIL” in the Republic of Tatarstan. Within the framework of the project it is planned to open an inclusive theatre studio for 30 students of «Kazan special (correctional) boarding school № 4 type VI» in the Soviet district in Kazan. The curriculum includes exercises in dialogue and monologue situations, voice development, articulation, fine and gross motor function, training, master-classes, leisure time planning, visiting theatre studios with volunteers. The project includes activities in sociocultural rehabilitation, which will let not less than 30 special children develop the strength of feelings and emotions, solve the communication problem, and get rid of shyness and acquire the whole range of useful skills.

Having the subsidies of the Ministry of Economics of the Republic of Tatarstan for the implementation of the project “Wonder park” targeted at the integration into the society of the pupils of “Derbyshki boarding school for mentally retarded children” the Foundation ran a number of events starting with the cultural and educational programs “History lessons”, labor education, and creating a leisure area for students.

The projects implemented within the framework of state-private partnership let “special” children activate self-development and self-education by means of becoming a part of play and labor activities and let the children express themselves in art.

In order to organize the social rehabilitation within the framework of the world’s day of health the Fund donated to the Municipal Budgetary Pre-school Educational Institution “Kindergarden №164 of care and recovery” air ionizers that help make the air in the facility healthy. Within the framework of the social and rehabilitation tourism, the Fund’s fosterlings who live in Kazan visited the Planetarium of Kazan Federal University.

Over several years the Fund has been promoting the idea of blood donation. Within the framework of the world’s day of blood donor the charity fund “AK BARS SOZIDANIYE” in cooperation with the Republican blood donor center implemented the activity “Donor’s day” among the employees of the joint-stock commercial bank “AK BARS” Bank, and at the end of June the Fund awarded the winners of the competition “Give a life — become a donor”

organized by the Fund among children's and youth organizations of the Republic.

Within the international day of charity and the Republican activity "Fall days of kindness" the charity fund "AK BARS SOZIDANIYE" announced the start of the activity "I hear you, mother!" on the platform "DobroMail.ru" targeted at the provision of help to children diagnosed with "Partial hearing of I-II degrees" who do not have a disability. In Kazan 75 children are registered at the dispensary of a hearing specialist. These children can no receive hearing aids for free. One hearing aid costs between 60,000 to 140,000 rubles depending on the type and degree of hearing loss.

Over the time of rehabilitation 26 hearing aids to the amount of 3 million rubles were purchased. 17 aids were presented by the Republic's Council for Charity Activities, 9 were purchased by the Fund on the collected money. On top of that, due to the grant of the Competition of social and cultural projects received by the OJSC "RITEK", and the charity fund "LUKOIL" and the platform "DobroMail.Ru".

Also, the fund in cooperation with the employees of additional offices of Kazan branch of the Joint-stock Commercial Bank "AK BARS" Bank purchased and donated necessary objects and household appliances to the division of unwanted kids of the children's center at the Central City Clinical Hospital №18, the children's secondary health care of the City Children's hospital №1, and the specialized Republican Child's house. Also, in cooperation with Tatfondbank the fund presented interactive equipment to Lyceum №78 "Farvater" of the Volga district of Kazan where classes in inclusive education were organized.

For the report period, for the implementation of the program "Do Good" the Fund received the following amount of money 58 664 064, 59 rubles, which includes 4 345 820 rubles from "AK BARS" Bank, 7 253 610 rubles from "Tatfondbank", 42 387 545,63 rubles from legal entities, and 4 677 088,96 rubles from private individuals. Over 2016 the fund provided support in the amount of 57 838 431,45 rubles.

Comparative table on project “DO GOOD”

Beneficiaries	2014	2015	2016
People (number)	166	155	170
Social institutions (number)	24	21	26
Assisted in mln. Rubles	45,3	46,7	57,8
Attracted, mln. Rubles	44,8	46,2	58,7
From AK BARS Bank	2,8	2,0	4,3
From Tatfondbank	14,4	5,1	7,3
From other legal and private persons	27,6	39,1	47,1

“WE ARE TOGETHER!” (Socialization of children in difficult life situations)

For several years the 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”.

The fund actively supports orphaned children and helps to solve the problems of the orphanage. As on 01.01.2017, the orphanage is home to 24 children. With the purpose of socialization of the children a special attention at the orphanage is given to the aesthetic and labor upbringing of children. Creative workstations targeted at the personal development and educational motivation were created, and for little children a play room was fully equipped.

It is noteworthy that the fund actively cooperates with pedagogical associations of other orphanages on the territory of Volga Federal Area and organizes a number of events that let one implement the creative potential and motivate educational processes.

So, with the purpose to implement the National strategy targeted at children for 2012–2017 and the National strategy of increasing financial literacy for 2016–2020, the Area competition of social projects and initiatives “DobroVolga” among the children of orphanages from Volga Federal Area was announced. The competition is sponsored and protected by the Office of the Envoy of the President of the Russian Federation in Volga Federal Area and the Republican Council in questions of charity activities. The main idea of the competition is to raise financial literacy and economic safety of orphaned children of the Volga Federal Area.

46 initiatives from orphaned children were presented at the competition. The orphaned children came from either orphanages, or institutions for children who were found legally free from 14 regions of the Volga Federal Area. The organizing committee invited the authors of 21 most interesting projects to Kazan for the three-day theoretical and practical courses “Social project management”, “Social business”, and “Financial literacy”. Due to these events the orphaned children were taught the basics of financial literacy, project management, and safety.

On the last day of training the children from orphanages from Kazan, Ulyanovsk, Syzran, Perm, Saratov, and other cities of the Volga Federal Area presented their projects targeted at finding decision to different educational, science, sports, cultural, and ecological tasks of the expert committee that included representatives of the office of the President of RT, Ministry of Education and Science of RT, Ministry of Economics of RT and the Public Chamber of RT. The Joint-stock commercial bank “Tatfondbank” donated 1 million rubles for financing the projects.

For the implementation of the activities during this project the amount of money 3 652 572,99 rubles was spent.

“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.

The Foundation supported by the Joint-stock company AK BARS Bank regularly supports the students of the “Youth sports school “Altyn aka” in Apastovsky municipal district in the Republic of Tatarstan. Besides hockey uniform, the Foundation fully equipped lounge rooms. Before the beginning of the new academic year, the Foundation renewed the sports center and changing rooms for “Stolbishche Secondary General School”.

Moreover, together with the initiative groups Days of health are organized for low-income families with a lot of children that produce a positive impact on the inside-the-family relationship.

For the implementation of the social project “Planet of the healthy lifestyle” the Foundation spent 830 560,00 Rubles.

“YOUNG TALENTS” (identifying and stimulating abilities of gifted children and talented youth, assisting educational institutions who have experience of working with young talents)

The Charity Foundation “AK BARS SOZIDANIE” pays special attention to the education and development of gifted and talented young people. More and more victories are made by the youth at all-Russia and international competitions, festivals, and olympiads.

Traditionally, at the end of academic year “AK BARS SOZIDANIYE” took part in the organization of solemn ceremonies where young candidates and prize winners of different olympiads, competitions, and conferences, as well as their teachers and mentors were honored. The ceremony is named “Star Circle” and held in Kazan.

Also, over the report period the fund supported the children of the Social and Rehabilitation Centre for children with deviant behavior who were sent to Saint Petersburg to take part in the International festival “Young cinema”. The short films created by children got in to the top best.

In addition, the fund provided help to:

- students at the satellite-city Innopolis who take part in competitions in different subjects;
- “Gymnasium № 7 with the tatar language” in Vakhitov district of Kazan to purchase new school equipment;
- “Secondary General School № 39 with the English language” in Vakhitov district of Kazan and “Kazan boarding school № 4” for children with disabilities in the Soviet district of Kazan to equip the school auditorium;
- the children’s ensemble of Tenikeev village club in Apastovsky municipal district to buy musical equipment;
- music band of Apastovsky district to buy two professional accordions;

In 2016 the Foundation spent 7 239 131,00 Rubles for the implementation 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)

The promotion and support of the institute of family is one of the most important and modern directions of the activities of the Charity Fund “AK BARSSOZIDANIYE”.

For the improvement of the emotional and psychological health and relations within a family the Fund traditionally organizes lectures for families who find themselves in a difficult life situation. Lecturers from Kazan Federal University are invited to these meetings. These events let the

families increase the competences in parenthood, correct the direction of inter-personal development between children and their parents, and most importantly strengthen the role of family in the bringing up process.

With the purpose to help bring together the resources of the non-profit organizations of Volga Federal Area in order to solve social problems in the field of family institute, the Fund organized the forum of non-profit organizations of the Volga Federal Area that assisted in solving social problems in the sphere of supporting the family institute under the name “The Role of socially oriented non-profit organizations in the implementation of National Strategy of actions for the interest of children: experience and ways of development”. The Forum was organized with the support from the Republican Council for Questions in Charity Activities, The Public Chamber of the Republic of Tatarstan and the Academy of Sciences of the Republic of Tatarstan.

100 representatives of non-profit organizations took part in the Forum. The organizations involved in the forum function with the support of the family institute, regional public chambers, state structures in charge of socio-economic, medical and social, social and right, and social and psychological well-being of the family, the expert association of Volga Federal Area, and student associations.

During the forum the Fund prepared the informational bulletin about the activities of the non-profit organizations of Volga Federal Area that work in the field of family institute. The bulletin included the results of the activities for 2015 collected from 196 non-profit organizations supporting the family institute in the Republic of Tatarstan, the consolidated register with contacts from the non-profit organizations. This bulletin was sent to V. I. Matvienko, the chair of the Federation Council of the Federal Assembly of the Russian Federation as well as to the offices of the Envoy of the President of Russian Federation in Volga Federal Area, and the President of the Republic of Tatarstan. The partner of the forum was the joint-stock commercial bank “AK BARS” Bank.

Annually due to the financial support of the joint-stock commercial bank “AK BARS” Bank the Fund provides support to the municipal districts of the Republic of Tatarstan when implementing the holiday Sabantuy and traditional Days of Kazan during which play grounds for children from low-income families are open.

During the activity “Help to get ready for school” initiated by the Republican council for questions in charity activities, the charity fund “AK BARS SOZIDANIYE” implemented the following events:

- August 26, the event for 16 orphaned children who are brought up by elderly people was organized in the amusement park “Kyrlyay” by the Fund in cooperation with the public joint-stock company “Tatfondbank”. The young children were awarded with ready-to-use backpacks.

- August 27–28, “AK BARS SOZIDANIYE” in cooperation with the public joint-stock company “AK BARS” Bank organized Saransk-Penza-Tarkhany for 14 orphaned children brought up by elderly people.

On August 29, the annual solemn reception by the President of the Republic of Tatarstan R.N. Minnikhanov and his wife was organized in Kazan Kremlin. The reception was organized in honor of best families of the Republic. Overall 51 families from different municipal districts of the Republic of Tatarstan took part in the event.

On top of that, “AK BARS SOZIDANIYE” took active part in the Fall week of kindness. September 5-September 19 during the International Day of Charity, the Fund organized and ran a number of events. The most memorable of them were the visit to the Dolphinarium by children who go to rehabilitation centers in Kazan, and the reconstruction of the Park of Newly Married in cooperation with the volunteers of Kazan branch of a British company.

November 17-December 1, 2016 the charity fund in cooperation with the Public Chamber of the Republic of Tatarstan the Republican project “116.ru” was announced. The main idea of it is to organize children’s educational events with the presence of non-profit organizations of the Republic of Tatarstan. It is oriented at the development of the active civil position among the young generation. During this project, surveys among seriously ill children and educational events dedicated to maternity were implemented.

For the implementation of the project “In a big family” the amount of 17 884 620, 75 rubles was spent.

“THE SUN SHINES FOR EVERYONE!” (Assistance to single elderly citizens)

Well-being of the elderly is one of the main objectives of the socially oriented country, and in the Republic of Tatarstan this objective has always been in the top priorities. The state of health and quality of life are the most important concerns of the elderly person. Therefore, the fund “AK BARS SOZIDABIYE” takes active part in the life of lonely elderly people.

Since 2008, the public joint-stock company “AK BARS” Bank and the Fund has been monitoring the nursing home in Arsk for elderly and disabled people. This place is a home to 50 lonely citizens of the Republic.

The Fund in cooperation with the Division of social work of Arsk municipal district monitors the conditions of life, care, and social and medical service provided for elderly people who live in the nursing home. Also, the employees of the Fund organize meetings with the elderly people and staff of the

nursing home and discuss question in the improvement of life conditions, provision of necessary medical and reconstruction of the territory.

“AK BARS SOZIDANIYE” in cooperation with the center “Mercy” in Nizhnekamsk municipal area actively works with veterans of the Great Patriotic War from this municipal area and constantly provides support to them inviting volunteers.

The amount of money spent for the project was 1 362 441,56 rubles.

OTHER PROJECTS

Over many years the charity fund “AK BARS SOZIDANIYE” with the financial support of the public joint-stock company “AK BARS” Bank has been providing charity help to the Municipal Cultural Institution “Kazan Zoological and Botanical Garden” in order to maintain well-being of snow leopards (irbises) and show them to the public.

On top of that, over the report period the following support was provided:

- reconstruction of the memorial complex dedicated to the participants of battle actions in Apastovsky municipal district of the Republic of Tatarstan;
- purchasing greenhouses for “Rehabilitation center for kids and teenagers with limited abilities” “Source of Hope” in Arsk municipal district during the implementation of the social project “Generous soul”;
- complete reconstruction of the Recruitment office in Bakhchisaray district in the Crimea;
- repairing works of the roof of the crypt-chapel of the honor citizen of Kazan, a famous patron Ya.F. Shamov;
- reconstruction of the Cathedral of Our Lady of Kazan and building the Bolgar Islam Academy in cooperation with the public joint-stock company “AK BARS Bank”;
- organizing repairing works in the Sunday school of Kazan Bogoroditsky Church in the city of Kazan, RT;
- reconstruction of Udryas-Tenikiev village club of Alkeev municipal district of RT.

The Fund is one of the members of the organizing committee of the Republican contest of social projects “Social initiative” that is organized by the Ministry of labor, employment and social protection of the Republic of Tatarstan. In 2016, the organizing committee received 112 applications. 81 social projects were found among them. Following the decision of the experts, the Fund provided partial financial support for the implementation of social projects “Rehabilitation centre for children and teenagers with limited abilities “Solnyshko” (Naberezhnye Chelny), “Rehabilitation center for children and teenagers with limited abilities “Astra” (Elabuga), “Rehabilitation center

for children and teenagers with limited abilities “Source of Hope” (Arsk), and “Chistopol nursing home for elderly and disabled people “Yuldash”.

For the report period, the amount of money 8 925 854,79 rubles was transferred to the above mentioned institutions.

One of the key directions of the activities of the Charity fund is to work with questions and letters that come from private individuals and legal entities. When analyzing the letters, the fund sends requests to the agencies of social protection, health care institutions, educational institutions in order to confirm the facts discussed in the letters.

For the report period, the fund received 584 letters with the request to provide help. Positive answers were sent to 422 requests, 71 requests were denied, 48 are in process, and 43 letters were not considered because the necessary documentation was not provided.

“AK BARS SOZIDANIYE” received a letter of appreciation from the State Councilor of the Republic of Tatarstan M.Sh. Shaimiev and was included in VI volume of the Book of Charity providers who made a contribution to the Fund of Restoration of Cultural and Historic artefacts of the Republic of Tatarstan. The Fund is the winner of the Republican Competition “Charity provider of the year”. The director of the fund took part in the all-Russia reputation audit in the evaluation of quality of services provided by the Russian network carriers in the field of charity. In 2016, the Office of the President of RT recommended that the charity fund was sent to the competition held among the best practices of non-profit organizations within the framework of the meetings of the Council of the Envoy of the President of the Russian Federation in the Volga Federal Area in the city of Perm. The fund received the grant “Energy of kindness” from the public joint-stock company “Tatneft”, and the winner of the competition among social and cultural projects of the joint-stock company “RITEK” and the Charity fund “LUKOIL” of the Republic of Tatarstan.

CONCLUSION

From year to year, the activities of AK BARS Bank in the sphere of corporate social responsibility are becoming larger and deeper, and respond to the real needs of people, organizations, and projects at any given time. Good things that take place with the support from the Bank raise the level of cooperation, emotional help, and support in the society. All in all, the “Social Report – 2016” reflects the activities in the execution of principles of the Bank’s social responsibility in various directions.