

Ак Барс
Банк



Joint-Stock Commercial Bank "AK BARS"
(Public Joint-Stock Company)

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APPROVED
by a resolution of the Management Board
of AK BARS Bank, PJSC
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Social Report
AK BARS Bank – 2018

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1. Address of the Bank's Management

Dear friends!

We hereby present the eleventh Social Report of AK BARS Bank to keep you informed on large-scale activities of the bank in the field of the corporate social responsibility and charity.

The bank changes to continuously adapt to present-day trends. The transformation within the organization both facilitates shaping the most advanced trends in the field of financial technologies and embraces conventional banking processes. The credit institution strives to be better for the customers by optimizing the service model and by developing remote service channels. At the same time, the corporate social responsibility of the bank to the society has remained an integral part of our activities for years.

Working in this field is based on understanding the idea of morality, kindness and mercy. The moral duty to the elder generation, to war veterans, to children and youths, helping seriously ill children or the people in difficult life situations are the components that underlie our sustainable charity activities.

The social responsibility principles are embedded in the staff policy of the bank too. That is to provide an adequate salary, a high level of the workflow arrangement, a clearly elaborated occupational health and safety system, social benefits for the employees and their family members.

The bank is closely integrated with the community and has maintained its high principles of the corporate social responsibility for more than 25 years.

Sincerely yours,

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, JSC

The Joint-Stock Commercial Bank "AK BARS" (Public Joint-Stock Company) was registered by the Central Bank of the Russian Federation and has been successfully working since 1993. AK BARS Bank is a sustainable and a socially responsible financial institution.

AK BARS Bank is a leading bank in the Republic of Tatarstan that has occupied the 20th position in terms of assets and the 16th position in terms of the equity capital among Russian banks¹ as of the early 2019. The credit institution is present in 27 regions of Russia. The bank holds all types of banking licenses available in the Russian Federation and provides more than 100 types of banking services both to corporate and individual customers.

Bank works in retail, corporate, and investment business, digital and private banking. Among corporate customers, there are large companies of the oil, gas, and petrochemical sector, machine-building, telecommunications, electric power, construction, chemical, automobile transport companies, retail enterprises, agricultural companies, and other institutions.

¹According to the portal Banki.ru, as of 1.03.2019.

3. Principles and structure of the corporate governance

The corporate governance plays a key role in the activities of AK BARS Bank, in its successful and sustainable development, risk management, ensuring the balance of rights and interests of the shareholders, management and other parties concerned.

The corporate governance system of AK BARS Bank rests upon an efficient interaction between its management bodies: the General meeting of shareholders, the Board of Directors, the Management Board and the Chairman of the Management Board of the Bank, as well as Committees of the of various levels. Moreover, the structure of the corporate governance system provides proper balance between all governing bodies, distributes duties, and determines the general operating control performed by shareholders and the Board of Directors.

AK BARS Bank has developed an efficient corporate management and internal control system for the financial and economic activities of the bank in order to secure the rights and legal interests of the shareholders. Thus, there is the Audit Committee operating under the Board of Directors that, in association with the Internal Audit Service, supports the governing bodies to ensure the efficient operation of the bank. The Review Committee supervises the observance of the laws and regulations by the bank and the legality of the transactions effected by the bank. The Review Committee provides the General Meeting of Shareholders with an opinion regarding the financial and economic activities of AK BARS Bank the authenticity of the data in the annual report and accounts for the accounted period.

AK BARS Bank obeys the Law of the Russian Federation and is being governed with interests of the shareholders, creditors, customers, business partners, and counterparties. It strives to adhere to principles of the corporate governance considering provisions of the Corporate Governance Code recommended by the Bank of Russia to apply to joint-stock companies. Moreover, the Board of Directors states that the Bank observes a major share of the principles and recommendations of the “Corporate Governance Code of AK BARS Bank” approved by the Board of Directors of the Bank in 2008 (as amended on November 13, 2015).

The Corporate Governance Code is an internal regulatory document defining the basic principles, rules and standards of the corporate governance the Bank relies on in the process of their activities. The document also regulates the protection of legal interests of the shareholders and executive bodies, exercises of the strategic management, coordination of the risk management, arrangement of the internal control, prevention and settlement of clashes of interests, disclosure of information, and the procedure of effecting other corporate acts.

In the future, AK BARS Bank will continue the process of development and improvement of the corporate governance in accordance with recommendations of the Corporate Governance Code, and will include the outcomes of analysis of opportunities for application of new practices.

Shareholders, structure of the capital

The General meeting of shareholders is the supreme management body of AK BARS Bank that makes decisions on major matters of its activities. The Bank ensures and equal and fair treatment for all shareholders when exercising their right to participate in the management. The owners of the Bank exercise their rights related to the banking management by means of making decisions in General meetings of shareholders. Holding the General Meetings of Shareholders provides the Bank with opportunities to inform the shareholders of its activities, achievements and plans not less than once a year, to invite them to discuss and to make decisions on critical matters.

The Bank puts much effort in its routine activities to create the most favorable opportunities in order to implement the shareholders' rights, it also takes interests of other parties concerned in the matters of the corporate and social responsibility.

The Bank guarantees the right for a scheduled and timely delivery of the information on its activities for the shareholders in the scope sufficient for them to make knowledgeable and justified decisions for disposal of their shares. In order to properly observe and protect such right, AK BARS Bank is committed to unconditionally abide by requirements for the disclosure of information established with the Russian law. Moreover, in order to inform the parties concerned of its activities in a more complete way, the Bank discloses additional information on its activities on a voluntary basis.

The procedure for preparing and holding the General Meeting of Shareholders is governed by the Provision on the General Meeting of Shareholders of the Bank, which new revision was approved in 2017. In 2018, AK BARS Bank held one annual General Meeting of Shareholders in the form of the joint presence. At the meeting, the following was approved: annual report, annual accounts, profit distribution, payment of dividends, a new revision of the Articles of Association, amendments to internal documents of the Bank, etc. On the meeting there was also approved the auditor of the Bank and was elected a new manning of the Board of Directors and the Review Committee.

The observance of resolutions of the General Meeting of Shareholders has been under a continuous supervision and was governed by executive bodies of the Bank. The relations between the Bank and its shareholders are based on principles of a direct constructive dialogue, based on an unconditional observance of the Russian law and the maximum compliance with international standards. The positions of owners of the Bank on all major matters of activities of the Bank are reconciled by means participation of their representative of the work of the Board of Directors and the General Meetings of Shareholders.

As of December 31, 2018, the authorized capital of AK BARS Bank amounted to 48,015,396,326 Russian Rubles divided in 48,015,396,326 shares. All the shares of the Bank are ordinary registered shares issued in the book-entry form and having the par value of 1 (One) Russian Ruble each. All the shares have been placed. The authorized capital of the Bank has been paid in full.

In accordance with the Articles of Association, the limit value of declared ordinary registered shares of AK BARS Bank authorized to be placed additionally to the shares already in circulation is 20,000,000, 000 shares with the nominal value of 1 (One) Russian Ruble each.

As of 31 December 2018, AK BARS Bank has not placed any preferred shares.

In accordance with the applicable Russian law, in 2018, owners of the Bank exercised their right to freely dispose their shares.

During 2018, transactions involving shares of AK BARS Bank effected in the secondary market caused insignificant changes in the structure of the bank's authorized capital. Thus, the participation share of the JSC YUL Company in the capital of the Bank changed and reduced to 6.649%, due to which new minority shareholders – OOO AK BARS INSURANCE and AO Sotsialnaya Karta – emerged among the owners of the bank.

The information on 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 can 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's ownership structure presented on these Internet sites as a diagram of interaction and the list of persons who can control or significantly influence the Bank

contains the information on the largest shareholders owning the shares of the Bank and is in open access.

The information on changes in the composition of shareholders owning 5 or more percent of voting shares of the Bank is published in the information resource updated in real time and delivered by Interfax information agency in the form of messages on significant facts and insider information.

The structure of the entity capital of AK BARS Bank as of the end of 2018 is as follows:

| Name of the shareholder | Share in the authorized capital (%) |
|---|--|
| Non-profit organization "State Housing Fund under the President of the Republic of Tatarstan" | 20.410 |
| Republic of Tatarstan represented by the Ministry of Land and Property of the Republic of Tatarstan | 19.789 |
| Joint-stock Company Svyazinvestneftekhim | 13.610 |
| Public Joint-stock Company Tatneft n.a. V.D. Shashin | 10.413 |
| OSMAND HOLDINGS LIMITED | 6.823 |
| Joint-stock Company YUL Company | 6.649 |
| Limited Liability Company "X-Ray" | 6.406 |
| Sinek Investment & Development Limited | 5.414 |
| Non-profit Organization Regional Fund for Social and Economic Development TUGAN IL | 5.262 |
| Limited Liability Company "Eurobest" | 3.598 |
| Public Joint-stock Company Nizhnekamskneftekhim | 1.458 |
| Shareholders owning less than 1% of the authorized capital | 0.168 |
| Total: | 100 |

Activities of the Board of Directors and its Committees

The Board of Directors of AK BARS Bank exercises the general governance of the activities of the Bank except for the matters referred to the competence of the General Meeting of Shareholders by the Federal Law "On Joint-stock Companies", and is a key component of the corporate governance system.

In May 2018 on the General Meeting, the shareholders elected the Board of Directors in the number of 12 persons. At their first meeting, the newly elected members of the Board of Directors unanimously supported and reelected 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.

The current composition of the Board of Directors is balanced in term of structure, which enables the Board members to carry out their duties efficiently. According to results of assessment of compliance of the members of the Board of Directors of AK BARS Bank with independence criteria, which assessment was held in July 2018, three persons from the elected composition of the Board of Directors are independent directors (Yu.L.Levin, G.Movat, S.V.Shibayev), and two of them are heads of specialized Committees under the Board of Directors.

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 Article of Association, and internal documents of the Bank, they possess sufficient knowledge and experience.

The manning of the bank's Board of Directors, brief CV of the Chairman and members of Board of Directors, as well as the information on their professional experience is disclosed in the official web-site of the Bank on the Internet.

The arrangement procedure, competence, composition, rights and duties of the members of the Board of Directors, their liability, the procedure for convening and holding the meetings, planning and arrangement of the operation of the Board of Directors, as well as many other matters are defined with the Article of Association, the Provisions on the Board of Directors, as well as the Provisions on the procedure for preparation and holding meetings of the Board of Directors, and the Corporate Governance Code of AK BARS Bank.

Meetings of the Board of Directors in 2018 were held in accordance with the approved plans. There were six meetings of the Board of Directors in presentio and seven meetings in absentia during the year, including two extraordinary meetings in absentia. On the meetings more than 80 matters were considered.

In 2018 the Board of Directors actively exercised its duties to resolve matters of the business strategy, the risk strategy and capital management strategy, financial stability and corporate governance, appointment and termination of authorities of members of the Managing Board. The Board of Directors performed an efficient control over activities of executive bodies, took care of observance of interests of shareholders in the context of all operations of the Bank, etc.

In December 2017, the Board of Directors approved the budget of AK BARS Bank for 2018, while during accounted period, regularly (on a quarterly basis) got acquainted with the reports of the Managing Board on the progress of its implementation. During the meetings of the Board, the Internal Audit Service and the Internal Control Service got acquainted with the results of audits of the Bank activities and the reports of the Inspector of AK BARS.

In December 2016, the Board of Directors approved a middle-term development strategy for AK BARS Bank for 2016 – 2021, and continuously supervised the progress of its implementation during the accounted year. Moreover, within the matter of the implementation of the mid-term strategy, the Board of Directors heard accounts on achieving strategic objectives and the forecast on the roadmap of the strategic objectives.

The Board of Directors paid much attention to the improvement of the corporate governance system, including development of new regulatory documents of the Bank and amendments thereof during the accounted period. Thus, the Board of Directors approved the following documents concerning the risk management and the human resource policy of the Bank:

- "Provisions on the procedure for the credit risk management of the Group of AK BARS Bank, JSC";
- "Provisions on the procedure for the market risk management of the Group of AK BARS Bank, JSC";
- "Provisions on the remuneration of the Managing Board members of AK BARS Bank, JSC";
- "Provisions on the remuneration of the employees assuming risks, of the employees of the departments performing the internal control, and the employees of the departments Managing risks of the AK BARS Bank, JSC";
- "Strategy for the risk and capital management of the Group of AK BARS Bank, JSC", etc.

In 2018 during the Board Meeting the following documents were reviewed in new revisions and recommended to be approved by the General Meeting of Shareholders:

- Article of Association of AK BARS Bank, JSC;
- Provisions "On the Board of Directors of AK BARS Bank, JSC";
- Provisions "On the Managing Board of AK BARS Bank, JSC".

The follow-up of legislative initiatives in the field of the corporate governance is an integral part of the work of the Board of Directors that is adamantly committed to continue the improvement of the corporate governance practices. The above approach guarantees the future success of the bank and enhancement of its internal efficiency and the external competitiveness.

The Board of Directors suggested the practices to annually assess the condition of the corporate governance of the Bank, self-assessment of the own work of the Board and its specialized Committees. As a result of such practice, measures to amend for the adverse findings have been developed and implemented. The outcomes of the assessment proved a high level of the arrangement of the work of the Board of Directors and its Committees, of the internal efficiency and interaction between the Board of Directors and the bank, of achieving the set goals and objectives by the Board of Directors.

Committees of the Board of Directors

In 2018 specialized Committees of the Board of Directors kept working extensively. The Committees cooperated closely with management and supervision bodies of the Bank, with auditors and consultants within their scope of competence.

- ***Audit Committee***

The Audit Committee mostly focused on the implementation of the measures intended to improve the efficiency of the internal supervision, and on the supervision of the authenticity and completeness of compiling financial accounts of the Bank. The Committee 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 considered the usual Master of the arrangement and holding the legal tender to select the auditing entity authorized to perform the annual Audit of the Bank according to the Russian and International Financial Accounting Rules, gave its recommendations to the Board of Directors regarding the nominees to be the auditors of the Bank. A large share of the matters during the accounted period was meant to increase the efficiency of operation of the Internal Audit Service.

The Committee continued working on important matters of improving the internal audit service, i.e. the issues of implementation of IT solutions in the activities of the Internal Audit Service, diagnostics, and information security of the Bank.

As result of 2018, the Audit Committee performed a self-asesment of their activities, which outcomes are planned to be discussed by the members of the Committee in a meeting in April 2019.

- ***Human Resource and Remuneration Committee***

In 2018, the members of the Committee were especially concerned on the monitoring of the HR-strategy implemented in 2017 and meant to generate the image of the best employer of the Republic of Tatarstan, on the transformation of the corporate culture and the development program for the employees.

The Committee for Human Resources and Remuneration was busy with the improvement of the organizational structure of the Bank, monitoring of the unplanned personnel flow at the top and middle management and specialist level, on the efficiency analysis and capacity of the personnel.

To add to the above, the Committee supervised the progress of the “Personnel Reserve” project, the implementation of individual development plans by the members of the Management Board, the simultaneous performance of various duties by the Management Board Members in executive bodies of other companies, and considered key performances of their efficiency.

In July 2018, the members of the Committee got acquainted with the matter of the outcome of the legal tender to select the contractor for providing insurance services for the liability of the members of the Board of Directors and officers of the Bank. In the late 2018, the members of the Committee considered propositions for generating budget for the personnel costs for 2019, which costs were recommended to be included in the budget of the Bank.

- ***Risk Committee***

During the accounted period, the Risk Committee focused on the matters of analysis and control of risks, the procedure of applying banking methods for the risk management, stress tests, the issues of the Bank's capital sufficiency, and assessment models for various risks, as well as matters of elaborating the internal and compliance control system, and the efficiency improvement thereof.

The Risk Committee paid much attention to the matter of implementation of the Instructions of the Central Bank of the Russian Federation No. 3624-U “On requirements for the management system for risks and capital of credit institutions and the banking groups” in the Bank’s operations. Thus, as a part of the implementation of the regulator’s demands, the Committee examined reports according to ICAAP, reviewed applications for risk appetites, and consulted the Board of Directors on the definition of the risk appetites.

The Committee delivered a weighty contribution in the work for improvement of the Bank’s internal documents governing requirements for the management system of risks and capital of the Bank and the banking group. Such documents were approved by the Board of Directors.

As a result of the year of 2018, the Risk Committee performed a self-assessment of their activities, which outcomes are planned to be discussed by the members of the Committee on a meeting in April 2019.

- ***Strategy Committee***

The focus of attention of the Strategy Committee was on the implementation progress of the adopted middle-term Development Strategy of AK BARS Bank for the years 2016 – 2021 and the review of the account on achieving the strategic goals. The Strategy Committee supervised the progress of implementations of initiatives set for 2018 under the priority fields of business for 2018 – corporate, retail, and investment business units.

The Committee monitored the implementation of the major fields of development of AK BARS Bank on a quarterly basis based on financial results of the activities, they listened to a comparative analysis of the operation efficiency of the Bank compared to competing banks. The Committee also approved of the key objectives and measures for development of the retail, corporate, and investment business units. Later on the same year, the members of the

Committee reviewed and proposed to the Board of Directors the budget of AK BARS Bank, JSC for the year 2019.

The Committee reviewed the issues regarding the following:

- trends of the credit and monetary policy of the Central Bank of the Russian Federation;
- recommendations regarding the amount of the dividends under the shares of the Bank and the procedure of paying thereof;
- participation of the Bank in AK BARS MEDICINE, LLC;
- account on the observance of the conditions for AK BARS Bank, JSC to procure goods (works, services) from suppliers having no outstanding liabilities to pay taxes, levies, insurance charges, penalties, fines, interests payable accordance with the law of the Russian Federation on taxes, levies, etc.

Upon outcomes of 2018, the Strategy Committee performed a self-assessment of their activities. The following were analyzed in the course of such self-assessment: work efficiency, fulfillment of aims and objectives set and governed with regulatory documents of the Russian Federation and the Bank's internal documents.

4. Human Resource Policy of the Bank

Human Resource Policy is based on selection and developing the personnel in order to enhance the degree of interest of the employees in the outcomes of the work by means of efficient individual incentive systems.

The corporate culture is a powerful resource to achieve the objectives of the Bank's Strategy. An efficient corporate culture unites the employees, highly motivates them to achieve the goals and objectives of the Bank. The main mission of the corporate culture is to turn employees into a team of like-minded fellows.

Involvement of employees is one of the main parts of a successful corporate culture which indicates its effectiveness. An involved employee does not stay away from processes taking place in the organization, they are willing to be initiative and to suggest new solutions. The interest in the work is increased due to opportunities of self-actualization, comfortable working conditions, incentives for ideas proposed. It is important to continuously translate the collective mission and values of the organization.

AK BARS Bank is undergoing a process of transformation of the corporate culture. The Bank is moving from the culture of strength to the culture of rules and the culture of success. In May 2017, ECOPSY Consulting company performed an assessment of involvement of employees in activities of the Bank as the employer. In 2018, a goal is set to increase the involvement performance of employees by 10%. As a result, the involvement level exceeded the expected value and amounted to 21%.

4.1. Socially responsible regulation of 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 targeted at supporting the realization of the Bank's strategic and business aims.

The Bank tends to implement a fair and transparent system of labor compensation that:

- rewards and encourages employees for their labor in accordance with their skills, efforts and spent time;
- is objective and clear for the employees of the Bank;
- provides the Bank's employee with the harmony of ethical and material values;
- motivates each employee to reach high personal goals and effective teamwork;

– provides a compliance of the amount of remuneration of the Bank’s employees with the position occupied, the level and composition of risks assumed, efficiency performances of the activities, and financial outcome of activities of the Bank.

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.

AK BARS Bank takes care of the well-being and social security of the employees and their families. In the system of socially responsible regulations of labor-related questions and employment, the Bank is led by its experience as well as by international standards in the field of corporate social responsibility.

The social policy of AK BARS Bank is executed in accordance with the approved regulatory document – Regulations for social support of the Public Joint-stock Company AK BARS Bank, where the order and amount of financial aid and social support payments are stipulated.

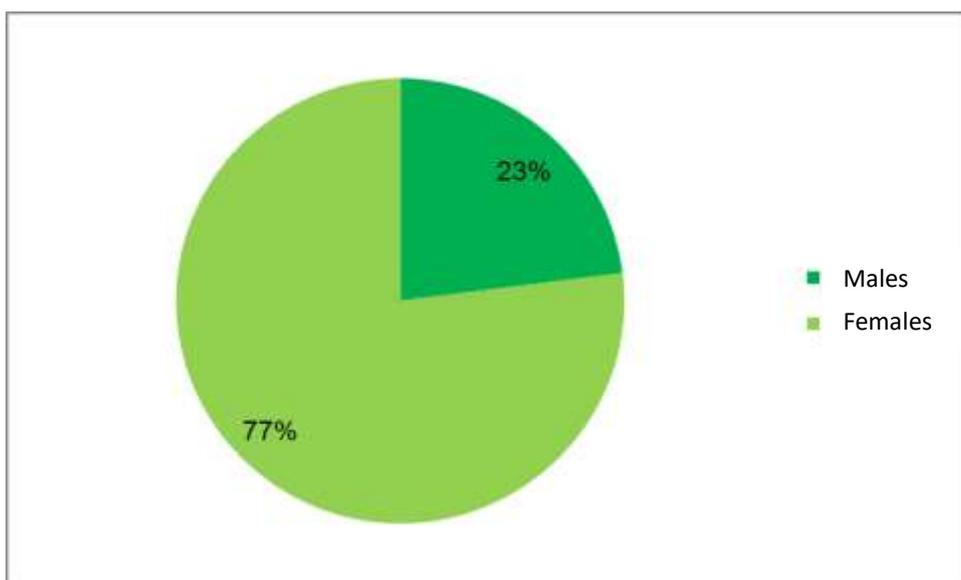
4.1.1. The structure of the personnel of AK BARS Bank

The average headcount of the Bank’s staff as of 01.01.2019 constituted 5,537 people, at that, the share of employees of the territorial network was 45.4%, 12.7% for the United Service Center, and 41.9% for the Head Office

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 2018, the number of employees under 29 years was 35% of the total number of the Bank’s employees. The people aged under 39 years constitute 38% of the personnel of the Bank.

The gender composition of the personnel remained unchanged, where the major share of the employees was represented by women (77%).

Distribution of the personnel composition on the gender basis



4.1.2. Payment and incentive policy for the labor

The Bank employs an incentive system based on individual performance of the employee and/or results of the structural division. The work performance of the employees is measured with key indices of efficiency or points in accordance with Calculation methods for bonus payments for outcomes of activities. The list of qualitative and quantitative efficiency indices for profit-generating and auxiliary units of the Head Office and the Shared Service Center of the Bank, divisions and employees assuming risks, the units managing risks, as well as employees of the regional network are developed and approved by the Chairman of the of the Management Board on an annual basis.

In 2018, the list of bonus payments was expanded, and the following items were added:

- bonus for performing critical or especially complicated tasks;
- bonus for project activities;
- bonus for business initiatives (“Bank of Ideas”);
- bonus for referral recruitment.

4.1.3. Intangible motivation of personnel

The intangible motivation of personnel is a powerful tool for the team management and one of the key components of the corporate culture. The motivation underlies the quality of the employees' operation, their efficiency, development, and the success of the business. The intangible motivation is a range of measures intended to enhance the loyalty of the employees, the improvement of the work conditions, generating a healthy atmosphere, corporate spirit within the team.

One of the major factors of non-material motivation in the Bank is the promotion and appreciation of employees' merits. In 2018, 78 employees of the Head Office and the branch network were rewarded for long-term and fruitful work, as well as for their contribution to the solution of professional tasks.

The Bank pays much attention to professional contests. In 2018, a contest “The Best in the Profession 2018” was held for the first time. More than 80 employees of the bank – representatives of the corporate and the retail business units participated there. As a result of the contest, 21 winners were identified. Thirty-nine employees of the Bank were awarded for taking the second and the third positions. They were awarded with diplomas and memorial medals.

In August 2018, the project “Time of Leaders” initiated. The finalists of the project who have passed the selection participated in master classes and lectures by top managers of the Bank. They gained professional knowledge and practical skills, developed corporate competences, implemented projects of their own.

In order to arrange a uniformly efficient interaction with all the collective, a unified information environment was created in the bank, a wide range of instruments is employed. The employees receive daily news and information bulletins via the corporate mail. The news are also available at the corporate portal and through the mobile application Ak Bars Life. In the application, one can receive information of training programs, learn about corporate benefits or bonuses.

By the Day of the Republic of Tatarstan, by the Bank's birthday, the corporate newspaper “Changing World” was published. The newspaper was published electronically in the corporate web-portal, in the mobile application, and was sent as a hardcopy to territorial divisions.

June 2018 – the month of foundation of the Bank of Ideas in operation in the Bank. This project is the main ground to generate ideas of the employees on how to make the Bank more convenient for customers and partners, how to optimize the internal processes, and how to fill the term “customer-oriented” with the actual meaning. Each active employee gains points to earn the Innovation Index – an activity index of the employee for the operation of the Bank of Ideas. The most active authors of ideas can be awarded with diplomas of merits, badges of honor, they can be invited to the business breakfast with top managers of the bank. If, upon the implementations of the idea, an economic effect has been confirmed, the author would be rewarded with a cash bonus.

The format of meeting with the top management has become traditional for the bank. In November 2018, the first “Call-in Show” featuring the Chairman of the Managing Board of the Bank Zufar Garaev took place. Employees of the Bank got an opportunity to ask their questions both personally and in writing. The event was broadcast all over the Bank. The “Open Dialogs” are held on a regular basis with deputies of the Chairman of the Management Board, where top managers answered questions from the employees online. The employees of the Bank can discuss their ideas or suggestions to improve business processes during “Open Doors Days” with the managers.

The intangible motivation is also represented as a system of compensations and benefits. Among the possible formats there is a system of discounts for purchasing of certain goods or services (for instance, training, mobile communications, parking, services by counter-parties of the company), as well as certificates or coupons.

Children of the Bank’s employees get their good share of attention too. On June 1, an event “I want to know, where my parents work” took place. A tour through the Bank was arranged for the children of the employees.

For many years, the Bank has participated in various charity events. In 2018, the employees participated in events by the charity foundation AK BARS SOZIDANIE to support little patients.

4.1.4. Corporate Values

AK BARS Bank implemented the Development Strategy till 2021. The mission of the Bank is defined as follows: “Today and always, we create opportunities for our customers’ and partners’ for achieving their goals”. The contents of the mission reflect the proactivity of the Bank and provision of various opportunities for the business development and multiplication of capitals of our partners and customers.

Corporate celebrations take place in the Bank. On April 21, 2018, an all-bank voluntary Saturday work day took place in Kyrilai park; on May 9, more than a hundred employees of the bank took part in the “Immortal Regiment” event. Later in May, a contest “I Love ABB” attended by the employees of the bank took place. On June 1, an event “I want to know where my parents work” took place.

The bank issued a book “Values of the Bank in My Work. Accept. Apply. Follow”. The publication comprised essays of the employees submitted for the contest “Values of the Bank in My Work”. In total, more than one hundred works were received for the contest. The employees expressed their opinions on how the corporate values help them to move along with the Bank, to solve the set objectives, to develop, and to improve business processes.

A model for corporate competences was developed in the Bank. Materials on corporate competences, on social benefits and preferences for the employees, on the initiation of a

voluntary medical insurance program, on available discounts from partners of the Bank were published on the web-portal.

4.1.5. Employees' Labor and Employment Rights

The Bank's activities are aimed at ensuring equality of rights and opportunities for all employees at the working environment and at prevention of any forms of discrimination or forced labor promote the professional and personal development. These principles are reflected in the local regulations of the Bank in the field of the human resource management that are adopted in accordance with the requirements of the international and the 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 Training

In this field, a comprehensive training plan encompassing all categories of the personnel and containing adaptive training, advanced training programs, development of business qualities, as well as training for standards of customer servicing are carried out on an annual basis.

In order to implement the Bank's Strategy and to improve the qualification level of employees, the Bank has developed a continuous training system for constant update of theoretical and practical knowledge of managers and entry-level employees alike.

The training system includes the following:

- participation of employees of the Head Office and the United Service Center (USC) in external training: professional programs, seminars (webinars), forums, conferences;
- internal training of employees of the Head Office, USC, and the branch network in skill- and product-oriented training by efforts of business trainers of the Training Center;
- training of employees of the territorial network as a part of strategic sessions (involving external education service providers in the corporate format);
- internal training in the format of the knowledge translation from experts of divisions of the Bank to other employees of the Head Office, USC, and the territorial network; remote training and testing of employees within the remote training system.

The fields of training and the advisability of the training programs are selected and defined in accordance with the following:

- the syllabus for the employees of the Bank for 2017 that is approved by the corresponding departments;
- training matrices for mass positions and the Catalogue of programs for mass positions;
- amendments in the legislative acts, the Bank's internal business processes and products;
- demands of business units of the Bank.

As a part of training of employees of the Head Office and USC, Welcome-trainings were delivered; training was arranged under the program “The School of the Personal Manager” for 249 newly-hired employees; trainings was held by external providers and were attended by 1811 employees.

Training Center of the Bank

In 2018, the in-house training continued based on mandatory Training Matrices for employees of mass professions and the Syllabus Catalog for non-mass professions.

In total, there are more than 40 programs contained in the Catalog of internal programs that aim on a comprehensive development of the employees, including development of soft skills, managerial competences, and active sales skills. Each program is also intended for development of corporate competences with employees of the Bank.

As a part of the new training form “Opened trainings”, employees of the Head Office and USC got an opportunity to participate in any training of their interest: “Emotional intellect”, «I want to be a tutor!”, “DISC. Personality Typology”, «Time management, etc. During 2018, the open trainings were attended by 2151 employees of the Head Office and USC.

The main technical innovation was implementation of the new Mobile training. The training takes place irrespective of the location by using portable technologies, i.e. a mobile device.

In 2018, the HR partnership continued to develop, which helps the business to fulfil objectives by developing the personnel. The functionality of the position of the HR partner includes participation in all meetings of the branch, assistance for selection of personnel, assistance for development and control of the plan of measures aimed for achieving key performances for efficiency of the retail or corporate business, etc.

Personnel Training and Development

The Bank has developed a continuous training system that includes:

- outside training of managers and specialists of the Head Office and the United Service Center under professional programs, seminars, forums, conferences;
- training of managers and specialists of the territorial network engaging outside providers for training services in the corporate format;
- in-house training in the corporate format where the knowledge is translated from managers of various units of the bank to other employees of the Head Office or the territorial network;
- in-house training of the employees through the implementation of own programs of the Center for the Talent Development.

The fields of the training and education programs depend on the training plans for the employees of the bank, amendments of statutory interests, intra-bank business processes, and the range of the products, changes of the Bank's strategy and the personnel and duty arrangement.

The training and development programs for the personnel encompassed all structural divisions of the Bank: starting from the employees of the branch network, to those of the United Service Center and the Head Office. During the year, 6427 employees were trained, while 1811 employees of the Head Office took part in outside training events, such as seminars, conferences, and forums.

Training for the Current Activities

In order to ensure an efficient business development, setting of goals and objectives, and to solve programs, strategic sessions are held with officers of the territorial network and the Head Office on an annual basis. In 2018, five strategic/training sessions were held as a part of the retail section:

1. In Q2 and Q3 2018, three full-day strategic sessions were held for employees of AK BARS Private from all offices of the regional network of penetration.

2. In Q3 2018, 69 employees participated in a strategic session for the retail business attended by.

3. In November 2018, 21 employees participated in the working session in the field of the acquiring development and sales organized by the Bank's Development and Sales Department for the Retail Business and our partner – Uniteller.

4. In November 2018, 50 employees of the branch network participated in a three-day training on the topic of "Sales of salary projects. Management of sales of salary projects.

Five strategic sessions were held for the corporate business:

1. 30 employees of the branch network participated in the strategic session for the development of small business.

2. In June 2018, 34 employees attended the strategic session for managers on the monitoring of the Bank's Customer Service.

3. In September 2018, 50 employees attended the strategic session of the Directorate for sales to the corporate business.

4. In October 2018, 59 employees of the branch network participated in the strategic session on topic of serving corporate customers organized for training personal managers.

5. Thirty employees of the branch network took part in the strategic session for the Directors for the development of the small business in November 2018.

In order to improve the qualification of small business employees of the branch network in Q3 2018 the School for the customer manager for Managers of the field of attracting small business customers and Key Account Managers was arranged. In May 2018, in association with T&D Metrika, a strategic session was held for the Directorate of the Pledge Examination. Within the agenda of the second day. There was a detective game "Oligarch" aiming at an efficient interaction and the responsibility for the outcome.

In order to improve the qualification of the Internal Audit Service employees, a two-day strategic session took place in Q2 2018. It was attended by 38 people. The first training day was dedicated to studies of the SAS automated system, when the training was accomplished by the Internal Audit Service. On the second day, the training was delivered by a coach of the Center for the Talent Development.

In December 2018, a joint strategic session was held for employees of the Department for Cash Circulation and Transport of Valuables and the Department for the Methodology and Supervision of the Teller Activities. The session was attended by 60 employees.

As a part of the internal training system, 16 adaptive training programs were held for 1378 employees of the territorial network. The adaptive programs are meant to mitigate operation risks and to pass the probation term for newly hired employees, or for those transferred to a new position within the Bank. In 2018, classroom training programs were held:

– “Welcome-training” held to get acquainted to the history of the Bank, to the corporate values, and to major operation rules: the training was done for more than 300 newly hired employees of the Head Office and the United Service Center.

– “School of the personal manager”: 4 groups were trained – 36 employees in total.

– “School of the customer service specialist”: 12 groups were trained – 213 employees in total.

– “School for the credit analyst”: 2 groups were trained – 36 employees in total.

In 2018, the advanced training programs were implemented for officers of the Bank through the development of the managerial competences:

– a comprehensive 6-month individual development plan program was carried out for more than 300 managers of structural divisions of the Head Office and the Shared Service Center.

– training on the topic of “STAR-Interview” was delivered to more than 200 managers of structural divisions of the Head Office and the Shared Service Center.

– «Adaptation” training program was developed and implemented, and more than 240 managers attended.

In order to develop leader competences and to establish a team of talented and committed employees of the Bank capable of solving important objectives, the project “Time of Leader” was implemented. Especially for the attendees of the project, the Training program was developed for the project activities for the period from November 15, 2018 to May 30, 2019. In total, 36 employees participated in the project.

As a part of the program, the employees participated in meetings with top managers of the Bank and in motivating master-classes, where the top managers share the history of their success.

The Training Center trained 1256 employees of the Bank on the topic of “The sincere service”.

In 2018, the project “Experts share their knowledge” was implemented. In-house and outside experts shared their knowledge with the employees in a short 2-hour format. In total, 11 events were held in 2018 in the format of seminars, games, master classes for more than 300 employees of the bank.

Throughout the year, the remote training in the format of webinars was arranged for the employees of the branch network.

In order to further develop the personnel, the “Electronic Library” of the Bank was created. It has been fulfilled with business literature on a regular basis.

Institute of In-house coaches

In 2018, the in-house coaches of the Training Center and the Center for Development Talent held 86 trainings for 1073 employees of the branch network in the retails business on the following topics: «Customer-oriented sales”, “Cross sales”, “Cold calls”, “Efficient negotiations for sales”.

254 managers were trained under the topics “Development of managerial skills of the Sales Department Manager”, “Public Speeches for the Sales Department Manager”. The training as a part of the adaptation of newly hired employees of the Kazan and Zakamsky Regional Centers should be highlighted separately. 14 Schools for Customer Service Managers, 4 Schools for Personal Managers were held, 267 newly hired employees were trained. The in-house

coaches of AK BARS Bank held a range of events for business units: strategic sessions for the team-building, improvement of the sales skills, communications and negotiations skills.

The coaches of the Training Center participate extensively in the project by the Bank of Russia to improve the financial competence of school-students. More than 80 webinar lessons were held to involve more than 500,000 school-students. The children study such subjects as “The personal financial plan”, “Invest in yourself”, and apprehend the basics of the financial knowledge in an easy and exciting way.

The business coaches have continuously held trainings to develop the “soft skills” for the Head Office and the Shared Service Center. Anyone can get enlisted for such training, not to mention those who entered such trainings in their Individual Development Plan. In 2018, 21 open programs took place, and 2151 specialists and managers were trained.

Innovation Technologies in the Personnel Development

The main innovation for the training and development of the personnel for 2018 was the implementation of remote courses for business units. During 2018, the in-house coaches of the Training Center developed 15 remote courses. Eighteen courses were held by outside providers. Such training method has certain advantages: an opportunity to get trained without leaving for business trips, which is especially valuable for remote territories, reduction of the resources and the time of tutors, unification of the training process, and provision of the single information environment.

The training Center analyzed present-day trends in the training. In order to maximize the training efficiency, the Training Center held the first festival of business games in the Volga Region. After that, eight business games were bought to develop competences crucial for the Bank. Such game techniques are extensively used by business coaches of the Bank when holding strategic sessions, classroom trainings, and team-building events.

In 2018, the mobile training was implemented. It makes it possible for a large number of attendees to train at any time convenient for them. In November and December, two groups including more than 80 employees were trained.

In September 2018, the Training Center of the Bank performed the first “Training Night”. The event included master classes, mini trainings, and seminars for various subjects that were not only attended by the employees of the Bank and their children, but also all willing citizens of Kazan who had submitted applications for such event via social media and mass media. The feedback from the attendees of the “Training Night” proved that such training format is an interesting and demanded nowadays.

Personnel Reserve

All processes related to the preparation and development of the Personnel Reserve for managerial positions have been implemented in accordance with the “Regulations for the unified management cycle for employees occupying managerial positions in AK BARS Bank, JSC” approved in 2018.

Models for career transfers within the Bank were developed for specialists of mass and non-mass professions:

- career ladders for specialists of mass professions:
- families of duties for specialists of non-mass professions.

The following measures contributed to the development of the personnel reserve:

The Commission for Talents, which is a temporary collective body that assesses the success of a manager for the past year, determines their compliance with the position occupied, and defines the directions for the career development.

As a result of activities of the Commission for Talents, the following is determined:

- the success degree of the managers under assessment in their current position;
- the action plan for working with the managers under assessment;
- determination of the list of managers under assessment to be included in the Personnel Reserve;
- the pool of successors to substitute the duties of the managers under assessment.

In 2018, as a result of implementation of the Commission for Talents, 11 managers were recommended to be included in the Personnel Reserve.

The “Time of Leaders” project provides measures to generate a team of highly motivated and capable employees in position to solve strategic tasks upon results of the training and performance of the project activities, that can occupy crucial positions in the Bank in the prospect.

The project was attended by both ordinary employees and officers of the structural units.

The purpose of the project is to generate the Personnel Reserve and to increase the involvement of the employees, to assemble the pool of leaders capable to solve ambitious and strategic objectives.

In 2018, in the “Time of Leaders” project participated 36 employees. Especially for the project was developed a training program, considering individual training needs of each of the participants.

In the training programs are applied an individual and a group training formats. Throughout the whole program from October 2018 to May 2019, the participants implement projects meant to optimize banking processes within their teams.

1200 options for career transfers for 197 mass professions were developed that provide various options for the horizontal and vertical transfers. Among them, 11 are for professions of the corporate unit, 13 are for the retail unit, and 173 are for the United Service Center.

Five individual duty clusters were developed for 451 positions that unit the employees by common universal skills. The clusters make it possible to use their potential and to develop by acquiring new and specialized skills and competences when moving to a new position within the Bank.

Individual Development Plan (IDP)

Working with the IDP is targeted on the development of the personnel, and in the prospect, it will comprise two fields:

- development of a common employee or a manager in the current position;
- development of a common employee or a manager for a higher position.

The main objective of the IDP is to develop corporate and professional competences by means of carrying out developing measures under three units (the percentage designates the scope of the objectives within the IDP):

70% – project activities (the employee develops in the current working activity by solving new or more complex objectives);

20% – development involving tutors (joint projects, tutorship on the part of experienced colleagues/superior).

10% – group developing events (training, seminars, focus groups, etc.) and independent development (reading the developing themed literature, attending developing events “outside of the company” upon the employee's initiative, taking electronic courses, etc.).

In order to maximize the efficient and fruitful working with the IDP, classroom events are held, project works are arranged, a library is compiled for the literature on management, psychology, analysis.

The Bank employees substituting managerial or non-mas professions had individual development plans drawn for them in 2018 within the context of the new corporate competences model approved in the late 2017.

In 2018, 1731 individual development plans were compiled, where 1003 plans are by specialists of non-mass positions, 728 are by employees occupying managerial positions.

4.1.7. Assessment of the Bank's Personnel

Commission for Talents

In 2018, the Commission for Talents approved 98 successors to substitute managerial positions, 11 officers were recommended to be included in the personnel reserve, 167 managers received recommendations for the development with the introduction to be included in the individual development plan.

As a result of 2018, 4687 Bank employees underwent the corporate competence assessment, where 3835 participants are specialists and 852 – are line managers.

The 360-degree feedback is a comprehensive assessment of corporate and managerial competences of the employee on the part of the superior, the subordinate, colleagues. It also includes the result of the self-assessment. Such method enables to obtain an objective assessment for the competence development level of the employee within a relatively short time and to get the idea of their strengths and development areas. In 2018, 87 managers from the level of the Directorate Head to the Chairman of the Management Board received the feedback under the 360 system.

The assessment center is a method of the personnel assessment based on the identification of the employees' development level and the determination of their potential abilities. The result of such examination is the determination of the current development level for professional and corporate competences. In 2018, 22 managers of the Directorate for Sales to the Corporate Business were assessed by means of the assessment center.

A structured interview on corporate competences is a behavior-based of the personnel assessment in the “Q&A” and “Case-Answer” format that applies when an employee is moving to a higher position, or upon a request of the immediate superior or a head of the structural unit. As a result of the examination, the degree of manifestation of each of the corporate competences is identified. In 2018, the structured interview on the corporate competences was attended by 42 Bank employees.

4.1.8. Social benefits for the Bank's employees

An 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 the employees occupy, or the status and the work experience.

The corporate social benefits for the Bank employees are divided into social packages and business benefits.

The social packages are related to the kind of benefits that help the employee save personal means, time, and efforts. The senior managers of the Bank care about its employees and provide support to their families giving the employee a social package. In 2017 the Bank employees were given the following types of social packages:

Material assistance and social support:

- to people giving birth to (adopting) children;
- monthly payments to mothers on maternity leaves – employees of the Bank having children aged 1.5 to 3 years;
- to those whose close relatives (parents, children, spouses) have passed away;
- to those who have an anniversary;
- to those who retire due to old age;
- upon a decision of the committee for social matters;
- material assistance to relatives of an employee in case of their death;
- fee reimbursement for tickets to children’s summer camps;
- fee reimbursement for “Mother and Child” tickets.

Discount programs mean provision of the Bank’s employees with preferential conditions for use of the Bank’s products or services of its partners.

Provision of the discount programs enables the Bank’s employees to use the Bank’s products and services, or those of partner companies, on favorable terms.

The Bank’s loyalty programs constantly develop and are provided by the Bank on the most demanded types of banking services: crediting (mortgage lending, consumer lending, car purchase lending, crediting on accounts of banking cards), teller services, other products and services.

Bank’s partners loyalty programs enable the employees to purchase their products and services on beneficial terms.

Business benefits are the kind of benefits that are granted to certain categories of Bank employees when and where it’s appropriate. This kind of benefits includes the following:

- centralized 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 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.

4.1.9. Voluntary medical insurance

In order to develop the social support and corporate benefits, the Bank developed the Voluntary Medical Insurance Program that started on February 1, 2018 in Kazan and throughout the Republic of Tatarstan, and on March 1, 2018 in Bank's territorial units in the Russian Federation. The Program is available to all working employees with the work experience from 1 year.

In total, 4182 people were insured in 2018, which is 76% of the total headcount of the Bank's employees.

The Voluntary Medical Insurance Program for the Bank employees is a risky program, which assumes that the amount of the compensation (for the treatment) may exceed the amount of the policy, or may include an unlimited number of medical services included in the program upon prescriptions of the doctors.

To add to the above, as a part of the implementation of the Voluntary Medical Insurance Program, measures by the Insurance Company AK BARS-Med were implemented in the Bank in 2018 – 2019 for the purpose of identifying the most spread diseases among the employees. In total, more than 3200 examinations were held. As a result, employees with deviations from the norm were identified, for them was recommended a further treatment .

Based on the analysis of the Voluntary Medical Insurance Agreement of 2018 and based on the feedback from the employees, the Voluntary Medical Insurance Program was supplemented with additional types of services (attendance and consultations of medics dealing with the vascular surgery, remedial gymnastics, laser therapy, recovery treatment methods), the number of the medical institutions was increased without increasing the price of the Voluntary Medical Insurance policy per one insured person.

4.2. Quality of working conditions and life of the Bank's employees

In order to ensure a high working efficiency, the labor conditions at the workplace of the employees should meet the most advanced requirements. A modernized and comfortable working place increases the performance and develops the potential of each employee. The Bank meets all the requirements to the working place, including the opening of a new point of Bank's presence.

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

4.2.1. Sport, recreation, cultural and recreational activities

One of the keys to the company's success is well-organized corporate leisure-time activities. Corporate holidays 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 team members, teach them to act together.

The employees are also provided with opportunities to acquire season passes for fitness centers with a discount.

During the year, approximately 500 Bank employees participated in runs of the “Timerman” series in Kazan, Zelenodolsk, Nizhnekamsk, Almetyevsk. The team of AK BARS Bank participated in the AK BARS Bank Kazan Marathon – 2018, in the Kazan National Half-marathon, in the Kama Half-marathon, in the “Night-time Kazan” race.

In December 2018, a family sports festival was held in Gorkinsko-Ometyevsky Forest, where the Bank employees and their family members participated.

4.2.2. Support of the elderly and retired

AK BARS 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 AK BARS Bank pensioners have been receiving special payments from the Bank during the entire 2018 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.

5. Occupational Health and Safety

Labor conditions produce a great effect on the effectiveness and economic results of work of any organization. The personnel's health depends on the occupational safety policy. AK BARS Bank sets its goals to ensure the maximum health and safety level in the course of the professional activities.

AK BARS Bank seeks to meet international standards: of OHSAS 18001: 2007 “Management Systems of Health and Safety of Labor. Requirements”, OHSAS 18002: 2008 “Management Systems of Health and Safety of Labor. Guidance on the application of OHSAS 18001: 2007, the requirements of the federal laws of the Russian Federation and other regulatory legal acts.

The Bank provides the safety of employees, trains them and tests their knowledge in the field of the occupational safety. The Bank provides them with special clothes, footwear, and other individual protective equipment, as well as washing and/or antiseptic substances.

Annually, the Occupational Health and Safety Service inspects the conditions at the workstations. In 2018, more than 1700 workplaces underwent a special assessment of the working conditions, At 3700 workstations took place laboratory examinations for adverse physical factors . The employees could get acquainted with the results obtained.

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. Every day, drivers had departure and arrival checks. In 2018, 36 people underwent regular check-ups, 200 employees got vaccinated against flu for the season. All the Bank employees had an opportunity to have their chests x-rayed.

In order to timely administer the first aid, sanitary posts have been placed in all buildings of the bank.

All the Bank employees received a training in work safety and an examination in requirements to work safety in due time. All newly-enrolled employees, irrespective of their

education, work experience in a particular job or position, receive introductory briefings using the training film “Introductory briefing for the occupational safety”.

During the year, the Occupational Health and Safety Service received more than 1000 inquiries from the employees. A detailed consultation was delivered for each of the inquiries.

6. Sponsorship and Charity Committee

In order to implement one of the major principles of the Bank’s activities – the social duty and responsibility for the development of the Republic of Tatarstan — Bank established Sponsorship and Charity Committee of AK BARS Bank (hereinafter – Committee) that works more than 16 years. The Committee was created to efficiently conduct charity activities on a regular basis. In 2018, the Bank received thousands of letters requesting support, both from Tatarstan and from other parts of Russia. Decisions on providing the material assistance have to be made on the collective basis. This is why the Committee is authorized to make decisions by means of votes of no less than three members of the Committee.

The Committee include the Manager for communications of the Department for strategy, innovations and marketing, Manager for LIN technologies, the Deputy Chief Accountant – the Head of the Accounting Department, the Head of the Operation Risks Department. The Chairman of the Committee is the Deputy Chairman of the Managing Board of AK BARS Bank I.E.Gubaidullin.

The meetings are convened not less than once a month, the observation of the decisions made is supervised by the secretary of the Committee who does not participate in the voting.

6.1. Assistance to educational institutions and educational programs of the Bank

Creating conditions for obtaining a worthy, high-quality education by the younger generation is, traditionally, one of the most important fields of the charity activities of AK BARS Bank. This is how the Bank realizes its moral duty to the new generation and shapes the grounds for educating a new generations of the employees.

The Bank sponsors the Kazan (Volga Region) Federal University on an annual basis and supports it for the implementation of educational programs. The Bank helped the team of the Law Department to participate in the international contest for the legal diplomacy “Crisis Day”, and to hold the International Research and Practice Conference “International law and the present-day global challenges” dedicated to the 80th anniversary of Professor R.M.Valeev. As a part of the support to the main higher-education institution of Tatarstan, the Bank allocated funds to mint medals for N.I.Lobachevsky prize, and partially paid for the education of students of the University for various professions.

The Bank sponsored the development of the facilities of Chistopol Multidisciplinary College and Evening (Shift) Secondary School No.36.

In 2018, AK BARS Bank held several hackathons for young IT specialists, which enabled the Bank to find new financial solutions and to attract prospective employees. Bank experts plan to implement some of the generated ideas to improve the efficiency and to develop new products.

Last year, AK BARS Bank once again supported the contest “Top-50 Innovative Ideas for the Republic of Tatarstan”. Ten authors received personal awards from the Bank to develop their projects.

The Bank allocates funds on a regular basis to purchase season clothes and school supplies for children from poor or many-children families of Apastovsky Municipal District of the Republic of Tatarstan. It is a part of the project "Helping to prepare for school". In 2018, the Bank allocated RUB 110,000 for that purpose.

AK BARS Bank continued to support the Kazan center "Achievements of the Young" providing financial support for implementation of the program "School Companies", under which school-students undergo training for entrepreneurship skills and obtain practical knowledge in economy subject. The Bank also supported the Republic Forum of the Young "SalaT" by allocating RUB 1 million. The Forum helps youth grounds to exchange experience and ideas in the field of educational and IT technologies, to develop personal and professional qualities, to get acquainted with the most advanced global research and technological trends.

The Bank approved the support of the Kid Space children's town of professions. The developing project includes 20 playgrounds, where one playground is a prototype of AK BARS Bank.

Bank allocated RUB 600,000 to support the project in 2018.

"Gift to the first-grader"

Every year, for more than 20 years, AK BARS Bank has performed the annual event "Gift to the first-grader". The Bank prepares school aids – a book and a multimedia disk for studying the two state languages of the Republic of Tatarstan (Russian and Tatar) for the first-year school-students. The educational kit helps to expand the children's outlook and knowledge in various fields. In 2018, same as in the past years, the event involved approximately 50,000 first-graders of Tatarstan who got the educational kit on the 1st of September at their schools.

The multimedia disk and the book in 2018 had the name of "A Trip to the Country of Ecology" and were dedicated to major environment problems that the population of the planet faces. Every year, the educational kit is developed by leading methodologists, artists and animators of Kazan and Russia, and voice-acting is done by actual artists of theaters of the Republic of Tatarstan. The aid does not duplicate the curriculum but helps the child to immerse in the exiting world of knowledge.

6.2. Assistance to children with disabilities and children finding themselves in difficult life situations

Helping children is a key field of the charity activities of AK BARS Bank. Children are the future of our society. At the same time, they are less protected part of society, and they are objectively unable to cope with financial difficulties.

In 2018, AK BARS Bank allocated funds for the treatment and rehabilitation of children against 26 requests of citizens and administered targeted assistance to children in association with AK BARS SOZIDANIE Charity Foundation.

The Bank supported Alpari Charity Foundation in purchasing a specialized nutrition for a seriously ill child Almaz Umutbayev.

Under the patronage of the Bank has been Apastovsky Municipal District. The Bank helped with purchasing season clothes and school supplies for children from poor and many-child families of the District, and assisted with purchasing a young calf for the Binkovs many-child family. The bank also sponsored a trip of 40 children from Apastovsky District to Russian resorts.

The Bank held an educational project “Charity Entrepreneur” at the cost of the funds allocated by the Bank. Underage orphans staying in specialized institutions of the Volga Federal District were trained in techniques of planning their personal budget by means of involving them in project activities regarding the social entrepreneurship.

The Bank helped to purchase 61 computers for specialized institutions of Tatarstan and for families being in a difficult situation.

6.3. Assistance to public organizations, cultural, medical institutions, etc.

The Bank has regularly assisted with supplies of equipment to various organizations. In 2018, Bank purchased equipment for the Directorate of the Extra-departmental Guards of the Troops of the National Guard of the Russian Federation for the Republic of Tatarstan, to the Directorate of the Federal Service for the National Guard Troops, to the Defense Commissariats of Kirovsky and Moskovsky Districts of Kazan, to the Hospital No.5 of Naberezhnye Chelny, and to the Kazan State Youth Theater named after G.Kariev.

AK BARS Bank also provided the charity assistance with purchasing equipment for the Apastovskaya Central District Hospital and purchasing equipment to complete the reconstruction of the rural house of culture of the Apastovsky Municipal district.

Last year, the Bank transferred a land plot with a storage space owned by AK BARS Bank to the ownership of Administration of Zainsky Municipal District free of charge in order to arrange a temporary confinement facility and a special reception unit of the Department of the Ministry of Interior of Russia for Zainsky District.

The Non-profit Organization “Systematic Medicine Foundation” and the Association “Chamber of Commerce and Industry of the Republic of Tatarstan” received a financial support from the Bank too.

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

For the purpose of celebrating the 25th anniversary AK BARS Bank held a large-scale charity event for orphans, children with disabilities, and children left without parents by purchasing 2500 tickets for them for the show of Cirque du Soleil and Blue Man Group in Kazan.

In association with the Ministry of Interior for the Republic of Tatarstan, a targeted assistance was administered to families of veterans and families of perished officers of the Interior of the Republic of Tatarstan.

The Bank also funded the chartered activities of the Tatarstan Public Organization “Association of veterans of wars of the Ministry of Interior and Home Troops of the Republic of Tatarstan” to support families of veterans and families of perished officers, to facilitate the rehabilitation of the officers returning from areas of armed conflicts, and to hold events for the patriotic education of the younger generation.

Victory Day

On an annual basis, AK BARS Bank has allocated funds to support holding the Victory Day for the Great Patriotic War, to honor veterans of war and labor throughout Tatarstan and in various regions of Russia.

Districts of the Republic of Tatarstan obtained a financial support on the eve of the holiday. The allocated funds were used to arrange solemn events, charity lunches and concerts, and to arrange the festival fireworks shows.

Traditionally, employees of AK BARS Bank actively participated in the “Immortal Regiment” event on May 9 in Kazan.

6.5. Support of social events

AK BARS Bank has sponsored holding all significant celebrations in districts of the Republic of Tatarstan and has provided assistance to local authorities to purchase gifts, to arrange the events, and to decorate the settlements.

In 2018, the Bank allocated funds to Apastovsky Municipal District to hold the festival dedicated to the International Women's Day for outstanding women of the district, and to hold events related to the Kurban Bairam celebration.

With participation of the additional branch “Naberezhnye Chelny No.1”, the bank provided assistance to the Non-profit Organization “Development Foundation for Cheremshansky Municipal District” for holding a convention of milk suppliers and milk collectors.

As usual, the Bank sponsored holding the national Sabantuy festival in districts of the Republic of Tatarstan and the Pitrau festival by providing assistance to the Public Organization of the Kryashens of the Republic of Tatarstan.

AK BARS Bank sponsored holding the “Tom Sawyer Fest Kazan” festival intended to restore the historical looks of wooden houses in the city.

Mendeleyevsky Municipal District of the Republic of Tatarstan received funds from the Bank to hold a holiday event dedicated to the Day of the Town of Mendeleyevsk.

New Year

On an annual basis, the Bank has allocated funds for organizing festivities on the New Year in districts of Tatarstan. In 2018 children from poor or many-child families, needy categories of society received various of gifts. Thus, apart from districts of Tatarstan, the financial support was delivered to State Budgetary Institution “Nizhnekamsk boarding school for children with disabilities”, gifts were purchased for the students of the boarding school. The Bank also provided a financial support to arrange a holiday for child patients of the Republican Clinical Hospital of the Ministry of Healthcare of the Republic of Tatarstan and the Children's Republican Clinical Hospital of the Ministry of Healthcare of the Republic of Tatarstan.

A local youth organization The City Students' Council of Naberezhnye Chelny received funds to hold a charity event “The Wishing Christmas Tree”.

6.6. Support of sports

In 2018, the Bank traditionally served as a sponsor of the children and youth sports school “Volna”, a finance partner of the ice-hockey clubs “Ak Bars” and “Neftekhimik”, “Dinamo”, the basketball clubs “UNICS”, “Dinamo”, and the football club “Rubin”. The ping-pong sports group “Young Spartakovets” received help from the Bank for the group members to participate in off-site competitions. The Sports martial arts and judo club of the Republic of

Tatarstan were also sponsored to hold the open children's festival of athletic martial arts for children.

As it has become common since the past years, AK BARS Bank performed as the Prime sponsor for the series of races TIMERMAN. They were not only attended by professional athletes, but also by ordinary devotees of the healthy lifestyle. The running competition took place in all large cities of the Republic of Tatarstan and gathered tens of thousands of participants.

The Bank also provided charity assistance to the Moscow City Physical Culture and Sports Association SPARTAK, so that the members of the ping-pong club "Young Spartakovets" could participate in off-site competitions in Saint-Petersburg and Beijing.

The Bank allocated funds to the Executive Committee of the Municipality of Naberezhnye Chelny to hold the Spartakiade for financial structures in 2018, and to the Regional Public Organization "Sports Club for Martial Arts and Judo of the Republic of Tatarstan to hold an open children's festival for athletic martial arts for children under 13 years old.

Conclusion

The Social Report of AK BARS Bank for the year 2018 summarizes the outcome of large-scale social activities. It is a part of corporate social responsibilities. The social mission of the Bank is closely linked to its purposes, objectives. For more than 25 years, the Bank has followed the principles of the social responsibility and has remained confident that good deeds, the caring attitude to problems and needs of both individual people and the society in general is an integral part of a successful and responsible business.

Appendix

Report of the Charity Foundation "AK BARS SOZIDANIE"

The Charity Foundation "AK BARS SOZIDANIE" is a non-profit organization registered on October 17, 2006.

The main fields of activities of the Foundation are as follows:

- Socialization of children with disabilities or 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, where the chairman is the President of the Republic of Tatarstan R.N.Minnikhanov. Every day, the Council receives updated information on the funds received, and delivers statistical and analytical reports on a monthly basis.

During the accounted period, the settlement account of the foundation with AK BARS Bank, JSC was cashed with the amount of **RUR 20 384 080.50**, including RUR 5 857 629.00 for administrative and household activities as a part of the social programs to be stipulated in further detail below.

THE "DO GOOD" PROGRAM

(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 2018, the Foundation provided assistance to 42 seriously ill children for purchase of medicines and means of rehabilitation, undergoing of treatment courses, surgery interventions in leading Russian and foreign rehabilitation centers and medical institutions.

Besides providing the targeted assistance, the Foundations, in association with the Bank, has continuously worked on socialization of children with disabilities.

All-republic festival of children's theatrical studios for children with disabilities "Theater – All Inclusive».

Objective: facilitation of the rehabilitation and socialization of children with disabilities through developing their creative abilities and their involvement in the theatrical activities.

Participants: eight "special" children's theatrical studios under social institutions of the Republic of Tatarstan working with children with disabilities having passed the selection round.

Program: master classes of leading theatrical activists of the Republic of Tatarstan, attendance of theatrical plays, two-day course of acting skills, speech-craft, theater history from the tutors of the project – the leading actors of the Tatar State Drama and Comedy Theater named after K.Tinchurin.

Outcomes of the activities in 2018: the participants of the project gained a positive motivation for education, tried their abilities in the creative activities, managed to further understand and to disclose their talents and abilities.

Plans: to facilitate changing the cliché of the attitude to the special people as the people with disabilities by having shown their strengths and the creative potential. To gradually implement the experience of the active theatrical stage in the system of extra education for the children with disabilities.

Children's Center for Interactive Communications "Mutual Understanding".

Objective: rehabilitation of children with disabilities by applying contemporary methods, such as hippotherapy and zootherapy.

Participants: in 2018, 32 children with disabilities attended the center free of charge.

Program: sessions of treatment horse riding two times a week for 30 minutes, sessions of zootherapy two times a week for 30 minutes.

Outcomes of the activities in 2018: eight children recovered their feet and learned to keep balance, 7 children can move on their own, 4 children can move with some support, all the participants show an improvement of the emotional condition.

Plans: purchase of especially trained horses to attract more children to go in for hippotherapy.

Good Center of Changes.

Objective: arrangement of an efficient rehabilitation of children with disorders of the central nervous system in the Children's Outpatient Center for Rehabilitation Treatment under the Kazan Children's Psychoneurological Sanatorium.

Participants: 119 children with congenital diseases of the CNS aged 2 to 14 years.

Program: massage, hydromassage, rehabilitation gymnastics, phytotherapy, orthopaedics, speech therapy, balneotherapy, and labor therapy rooms are in operation in the Center.

Outcomes of the activities in 2018: 24 children showed improvement of the speech development, 19 children got better with the locomotor system, 38 children showed a better psychological condition, 12 children demonstrated a reduction of the muscle tone, 11 patients showed a better motivation for training.

Plans: arrangement of training of the employees of the Center with new methods of rehabilitation and treatment of children with diseases of the CNS, attraction of a large number of volunteers as trainers for certain educational disciplines, and holding master classes.

The Foundation also equipped sensation rooms in the Kindergarten No. 164 for Supervision and Rehabilitation, in the Rehabilitation Center for Children and Adolescents with Disabilities of the Ministry of Labor, Occupation, and Social Protection "April" in the municipal district of the city of Kazan, and in the Nizhnekamsk Barding School for Children with Disabilities. Funds are forwarded to the Foundation of the Systematic Medicine for performing researches on cardiovascular diseases, and for purchasing equipment for the Apastovskaya Central District Hospital.

"WE ARE TOGETHER!" PROGRAM

(Socialization of children in difficult life situations)

For several years, an orphanage in the Yelabuga municipal district of the Republic of Tatarstan has been under the patronage of AK BARS BANK and the Charity Foundation AK BARS SOZIDANIE.

The Foundation actively supports orphaned children and helps to solve the problems of the orphanage. As of January 1, 2019, the orphanage was home to 30 children. All necessary conditions are created here for the living, and creative workshops are arranged to promote a free fantasy and creativity, increase of the social competence. To add to the above, the Foundation cooperates closely with the post-graduate supervision service for graduates of the

orphanage and for foster parents in order to help the new graduates to solve various problems, both household and personality-related ones.

As a part of the national project “Each Child Matters for Russia” and the district project “BRINGING CHILDHOOD BACK”, with the financial support by AK BARS Bank, the Foundation has implemented the following educational programs:

– **“Charity Entrepreneur” educational project.**

Objective: training orphans aged 13 to 18 years staying in specialized institutions of the Volga Federal District to techniques of planning the personal budget by involving them in project activities regarding the social entrepreneurship.

Participants: boarders (senior high student) of orphanages of the Volga Federal District.

Program: multilevel training to basics of the financial literacy and entrepreneurship activities consisting of a video course, a contest of social business ideas, a professional economic shift that provide for a grant-based support of the children’s initiatives regarding the solution of pressing social programs in their region, in their opinion, as a result of the training and defense of the business cases.

Outcomes of the activities in 2018: 210 boarders passed a test for the determination of the financial literacy level, 185 senior high student took the video course on the financial literacy “Charity Entrepreneur” on the educational platform, 109 boarders and 62 professors were trained during the specialized economic shifts organized in January, November and December 2018, 58 social business ideas were forwarded to participate in the Contest for Children’s Initiatives, 18 children’s initiatives regarding the social entrepreneurship got funded. For example, children from Nurlaty settlement of Zelenodolsky District are in the flower business, namely, they grow flowers, arrange flowerbeds, create flower designs for the flowerbeds to beautify the settlement and the town of Zelenodolsk; a group of children from Nizhnekamsk submitted an initiative to create an education aid for children with speech disorders; boarders of Chistopol orphanage of the Republic of Tatarstan go in for making decorative interior products of natural materials for festival decoration of interiors; a creative idea to establish a holiday agency is successfully implemented by young entrepreneurs from Kazan (Privolzhsky Orphanage).

Plans: financing and monitoring of 26 projects regarding the social entrepreneurship (as a part of celebrating the 25th anniversary, the bank has allocated RUR 1 250 000 for financing 25 children’s social business initiatives) defended by the boarders in December 2018, attraction of new partners from the business community as benefactors and tutors (intellectual volunteers), extension of the project’s geography.

– **“Corporate Tutorship” project.**

Objective: creation of strong tutorship ties for adolescents and graduates of orphanages, assistance with the self-definition, motivation increase for the search for work, and creation of opportunities for apprenticeship and a successful employment by means of the implementation of the network project for the corporate tutorship in association with the “Childhood Keepers” Foundation (Moscow).

Participants: senior high students and graduates of orphanages of the Republic of Tatarstan.

Program: meetings to get adolescents acquainted with a wide range of professions; webinars and trainings are held for future tutors; and future graduates of orphanages attend professional orientation sessions. The result of the sessions is that the senior high students go

for apprenticeships to partners enterprises of the projects during their summer vacations, and that the graduates get employed.

Outcomes of the activities in 2018: 22 graduates of orphanages of Kazan and Yelabuga attended the professional orientation sessions, 8 adolescents got employed for the summer, education of one graduate of the Privolzhsky Orphanage of Kazan was paid for at the College for the Small Business and Entrepreneurship.

One of the graduates of the Yelabuzhsky Orphanage, Yulia, as a part of the project, managed to realize her dream and to work in a bank. In the summer 2018, Yulia got an opportunity to go for an apprenticeship in the Department for the Personnel Selection and Adaptation of AK BARS Bank, JSC as an assistant specialist of the HR Department. At the bank, the boarder did not only work to publish vacancies on the Internet, but to select specialists too. Such job helped Yulia to get the general idea of all positions in the bank and to realize which job and in which department she would like to take in the future.

Plans: involvement of graduates of special boarding schools for children with disabilities in the Republic of Tatarstan and of children growing in foster families in the project, increase of the number of the participants in the project to 30 boarders and their employment in the future.

– “Routes of Charity” project

Objective: providing conditions for the patriotic self-education and enlightenment of boarders of orphanages of the Republic of Tatarstan aged 10 to 17 years from studies of the life and charity activities of prominent people of the region.

Participants: boarders of orphanages of the Republic of Tatarstan aged 10 to 17 years.

Program: a training course including outside sightseeing tours to regions of the Russian Federation to cities listed in the commonwealth of the “Good Cities”, intended to popularize the development of the culture and history of the charity among the public, compilation of own sightseeing routes under the patronage of experienced tutors, participation in the republic-wide contest of young tour guides.

Outcomes of the activities in 2018: trips to the capital of Mari El – Yoshkar-Ola – and to Saint-Petersburg were arranged for boarders of the Derbyshkinsky Boarding Orphanage for Mentally Challenged Children; boarders of the Yelabuzhsky Orphanage visited the Golden Ring of Russia: the cities of Suzdal, Vladimir, Bogolyubovo and Murom; a trip was arranged for boarders of the Privolzhsky Orphanage of Kazan to Moscow and Kaluga, including a visit to the ethnographic museum park of “ETNOMIR” and the Museum mansion of the Goncharovs “Tabby Factory”.

Plans: creation of several “routes of charity” in the Republic of Tatarstan by the boarders of the orphanages, as related to the history of the charity and patronship in the Republic of Tatarstan.

Therefore, with the support of the bank, the Foundation strives to prepare children left unattended by the parents for the independent life and for assuming the responsibility for solving their own problems through the Foundation’s educational and creative programs.

“IN THE BIG FAMILY” PROGRAM

(Popularization of the institution of the family, targeted support for low-income families with many children, elderly foster parents, foster and substitution families)

As a part of the federal project “The Strong Family”, in 2018, the Foundation worked in the following fields:

– ***“When the grandmother becomes the mother” project.***

Objective: providing the psychological and pedagogical assistance to families of elderly foster parent bringing up the children left without the parents’ care.

Participants: elderly foster parents of Kazan and their underage charges.

Program: a range of events involving 30 orphans along with their elderly foster parents that promotes their competence in terms of the self-awareness building inter-personality relations, as well as mitigation of the children’s lagging behind under the school disciplines. The program of the sessions has been compiled in consideration of the needs and capabilities of the children identified in the course of the incoming tests.

Outcomes of the activities in 2018: As a result of the work in association with partners and volunteers of the project, the 30 children brought up by elderly foster parents expanded their horizons and increased their self-esteem. Arrangement of the leisure time in a useful manner provided the children and their foster parents with opportunities to disclose themselves on the creative part, to improve the sociability, to develop socially valuable personal relations and qualities, as well as to travel and to improve their health. Moreover, the consultancy support for the foster parents, tutorship ties between the children and the volunteers, as well as the arrangement of the joint family recreation promoted the improvement of the emotional environment in the families finding themselves in difficult situations.

– ***“116.ru – The Land of Childhood” project.***

Objective: arrangement of mass events with non-profit organizations of the Republic of Tatarstan for children and with children intended to develop the active civil position with the younger generation.

Participants: NPOs of the Republic of Tatarstan, families bringing up children with disabilities, poor families with many children, elderly foster parents and their charges, adopting and substituting families.

Program: arrangement of themed “hot lines” for the purpose of monitoring certain socially sensible issues, questionnaires to identify problems of families bringing up special children, educational interactive events for children and adolescents, consultancy grounds for specialized experts in the field of the childhood for parents and foster parents.

Outcomes of the activities in 2018: as a result of the “hot line” held on May 29, 2018 on the matter of initial establishing of a disability for children and the supply of technical means for rehabilitation of children with disabilities, questionnaires for families bringing up children with disabilities for the purpose of clarification of the issues of securing the guaranteed rights (June to August 2018 r.); on September 27, 2018 a republic-wide panel talk was arranged in association with the Public Chamber of the Republic of Tatarstan, the Main Bureau for the Medical and Social Expertise for the Republic of Tatarstan. As a result, recommendations were forwarded to the Government of the Republic of Tatarstan, to the Social Insurance Foundation, to the specializing ministries, to guardianship and custodianship agencies, to the juvenile affairs commission, to the Tatarstan Agency for Press and Mass Media “Tatmedia”. To add to the above, as a part of the Spring and Autumn Week of the Good, lessons of kindness were held at high schools of Kazan, charity children’s playgrounds were laid during the festivities to celebrate the 73rd anniversary of the Victory in the WW2 (3 municipal districts) and the celebration of the

national “Sabantuy” festival in the 43 municipal districts of Tatarstan, as well as in the cities of Yekaterinburg and Novosibirsk, a New Year event “The Good Unlimited” was held in 10 municipal districts of the Republic of Tatarstan with the support of municipal agencies and charity foundations.

Plans: further participation in the municipal project “The Good Kazan” and in the republic-wide charity project “The Good Tatarstan”.

– ***“The Good Descent” project.***

Objective: voluntary involvement of employees of organizations in social programs supported by their company.

Participants: corporate volunteers, children with disabilities, orphans, foster and adopting families.

Types of the activities: environmental interactive events, theatrical plays, hiking, master classes, national festivals.

Outcomes of the activities in 2018: as a result of the event “The Good Mobile Phone”, employees of AK BARS Bank, JSC raised RUR 158,000 to help a family that suffered in the fire at Winter Cherry shopping mall in Kemerovo; corporate volunteers of Philip Morris Sales and Marketing, LLC beautified the grounds of the Park of the Newly-wed in Kazan; in association with the youth movement Ak Bars Life, the event “Soon to School” was arranged for orphans brought up by elderly foster parents that included a joint trip to movies and delivery of a complete school bag, etc.

Plans: expansion of the base of the corporate volunteers.

– ***“The Public Initiative” project***

Objective: support of socially valuable initiatives by non-profit organizations and development of mechanisms for financing in the social field.

Participants: social institutions of the Republic of Tatarstan, Socially Oriented Non-profit Organizations of the Republic of Tatarstan and the Russian Federation.

Program: the Foundation holds master classes and provides an information ground by publishing the materials on the web portal of the Foundation for the implementation of social projects at a higher professional level, for the purpose of ensuring the financial transparency. Moreover, the Foundation allocates funds as a part of the republic-wide contest “The Public Initiative”.

Outcomes of the activities in 2018: an expert ground was created to support the non-profit organizations. From July 25 to 27, 2018, representatives of 16 socially oriented non-profit organizations of Moscow visited Kazan. At the meeting with them, the Foundation shared the experience of the development and promotion of socially valuable projects.

From August 22 to 24, an apprenticeship of representatives of the Center for the Innovative Social Sector, the Public Chamber, social entrepreneurs and representatives of socially oriented non-profit organizations of Novgorod Region took place in Kazan on the topic of “The market of social services. Regional models”. The main objective was to examine the existing model of inclusion of non-government suppliers (socially oriented NPOs, business) in the market of the social services and algorithms of activities of all subjects of the process in

Tatarstan. The representatives of Novgorod Region examined the types and forms of providing the social services by AK BARS SOZIDANIE Charity Foundation.

As a part of the republic-wide contest “The Public Initiative”, funds were allocated to finance three social projects by NPO implemented in municipal districts of the Republic of Tatarstan.

Plans: consultancy support and further participation in the development of socially oriented NPOs of the Republic of Tatarstan, financing of projects of the republic-wide contest “The Public Initiative” to improve living standards of socially sensitive citizens of Tatarstan.

Outcomes of activities of the AK BARS SOZIDANIE Charity Foundation

- 1) Diploma of the republic-wide contest “Benefactor of the Year”;
- 2) The project “Charity Entrepreneur” by the AK BARS SOZIDANIE Charity Foundation obtained the support as a result of the first contest for Presidential grants in 2018;
- 3) The project “Routes of Charity” by the Foundation was listed among the Russian projects recommended to be subsidized in the field of “Development of the regional history and tourist activities for children and youths” by the Ministry of Education and Science of the Russian Federation;
- 4) An employee of the Foundation acted as an expert for the selection competition of the WorldSkillsRussia championships in the competence of “Arrangement of sightseeing services”;
- 5) An employee of the Foundation underwent an advanced training with merits on the topic of “Raising funds for NPO” arranged by the Center for Development of Non-profit Organizations (Saint-Petersburg);
- 6) The Foundation was the winner in the IX contest for social and cultural projects by LUKOIL, JSC in the Republic of Tatarstan;
- 7) The Foundation was the winner in the inter-regional contest for socially oriented NPO “Join in and be successful” executed by MegaFon, JSC and the Foundation for the Support of the Family and Children “Childhood Keepers” (Moscow);
- 8) The Foundation was the winner in the republic-wide contest to gain grants from the Cabinet of Ministers of the Republic of Tatarstan for non-profit organizations participating in implementation of socially valuable projects;
- 9) The Foundation was the winner in the Contest for socially oriented non-profit organizations to obtain the right to receive subsidies from the budget of the Republic of Tatarstan in 2018.