2019

Annual Report 2018

National Bank Trust PJSC
Предварительно утвержден Наблюдательным советом Банка «ТРАСТ» (ПАО)

Утвержден Годовым Общим собранием акционеров Банка «ТРАСТ» (ПАО)

Протокол № 04/19 от «24» мая 2019 г. Протокол № 01 от «01» июля 2019 г.

ГОДОВОЙ ОТЧЕТ
Публичного акционерного общества Национальный Банк «ТРАСТ»
Банк «ТРАСТ» (ПАО) за 2018 год

Президент-Председатель Правления ___________ А.К. Соколов

Достоверность данных, содержащихся в данном Годовом отчете Банка «ТРАСТ» (ПАО) подтверждаем:

Члены Ревизионной комиссии Банка «ТРАСТ» (ПАО)
_________________________________________/С.В. Ковалев
(подпись)
_________________________________________/Е.А. Служевенкова
(подпись)
_________________________________________/О.В. Курасова
(подпись)

«24» мая 2019 г.

г. МОСКВА
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### ANNUAL REPORT of the Public Joint Stock Company National Bank "TRUST" Bank "TRUST" (PJSC) for 2018

#### OF THE COLLEGE EXECUTIVE BODY OF THE BANK (BOARD)

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I. GENERAL INFORMATION ABOUT THE BANK

1.1. Key events of 2018

In 2018, the Bank of Russia decided to create a Bank of Troubled and Non-Core Assets on the basis of Bank TRUST (PJSC) (hereinafter referred to as the Bank), consolidating the troubled assets of the Bank, JSC ROST BANK, PJSC BINBANK, and partially PJSC Bank FC Otkritie, JSC Bank AVB and other financial institutions (hereinafter referred to as BNA).

The process of forming the SUA and consolidating the portfolio of distressed and non-core assets on its balance sheet is carried out in accordance with the Plan for the participation of the Bank of Russia in the implementation of measures to prevent bankruptcy of the Public Joint Stock Company National Bank TRUST (PJSC), approved by the Board of Directors of the Bank of Russia on March 14, 2018 (hereinafter referred to as the Participation Plan).

The main activity of the Bank of non-core assets is aimed at creating expertise and infrastructure that will increase the value of non-core and distressed assets managed by the Bank, including through restructuring, searching for and attracting third-party investors, selling assets (shares (shares) of companies), shares, debt securities, rights (claims) on loan debt, real estate objects, in order to ensure maximum return of funds allocated by the Bank of Russia for the financial rehabilitation of the Bank. The sale of the Bank's assets is carried out on the principles of transparency.

During 2018, as part of the creation of the Bank of Non-Core Assets, the Bank developed and approved the target structure of the SUA and its financial model, and formed collegial management bodies by the Bank's main shareholder (the Bank of Russia). In accordance with the new goals of activity, the Bank's business processes were reorganized, including the refusal to carry out banking operations that are non-core for the activities of the BNA. Almost all of the traditional banking business has been taken off the Bank's balance sheet.

The process of forming the BNA began on July 2, 2018 with the merger of ROST BANK JSC with the Bank. Subsequently, in November 2018, PJSC Bank FC Otkritie transferred distressed and non-core assets to the Bank in the form of a merger with JSC Bank Otkritie Special. The reorganization carried out in the form of separation of Otkritie Bank Special JSC from Otkritie FC Bank PJSC with the simultaneous merger of Otkritie Special Bank JSC with the Bank has no analogues in the Russian banking market.

During the second half of 2018, as part of the formation of the BNA, there were also distressed assets of a number of credit institutions were acquired. On March 7, 2019, Bank AVB JSC was merged with the Bank, in as a result of which the process of forming the BNA was completed.

The Bank, acting as a single integration center, ensured the continuity of the work of the merged credit institutions for the period up to the date of their merger with the Bank, incl. ensured harmonization of operating activities, technological integration of IT platforms of banks included in the BNA circuit.

As a result of the formation of the BNA, the total value of assets under the management of the BNA, according to the initial book value, exceeded 2 trillion. rubles1. The total number of legal entities under direct or indirect (through third parties) control of the Bank amounted to 223 entities2. as a result, the Bank became one of the largest financial and industrial groups in the country.

To date, the Bank is the only bank in the Russian Federation whose main activity is the management of problematic and non-core assets.

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1 Fair value of SUA assets in accordance with IFRS as of 01/01/2019 amounted to 207,254 million rubles, as of 04/01/2019 - 231,746 million rubles.
2 As of 03/07/2019
1.2. Information about the establishment of the Bank

The Bank was established in accordance with the decision of the Founding Conference of Participants dated July 05, 1995 (Minutes no. dated July 05, 1995) with the name: Joint Stock Commercial Bank "MENATEP St. Petersburg" Closed Joint Stock Company JSCB "MENATEP SPb". The Bank was registered by the Central Bank of the Russian Federation on November 27, 1995 under No. 3279.

In accordance with the decision of the General Meeting of Shareholders dated April 26, 1996 (Minutes No. 3), the abbreviated corporate name of the Bank was determined: CJSC Bank MENATEP SPb.

In accordance with the decision of the General Meeting of Shareholders on July 20, 2000 No. (Minutes No. 12) the full and abbreviated corporate names of the Bank were changed to Joint Stock Commercial Bank "MENATEP St. Petersburg" Open Joint Stock Company OJSC Bank "MENATEP SPb".

In accordance with the decisions of the General Meetings of Shareholders of the Bank (Minutes No. 19 dated September 06, 2002), JSCB Yuganskneftebank CJSC (Minutes No. 2 dated September 10, 2002), JSCB Neftenergobank OJSC (Minutes No. 15 dated September 11, 2002 d.) and the joint General Meeting of Shareholders of ZAO AKB Yuganskneftebank, OAO AKB Neftenergobank and the Bank (Minutes No. 21 dated December 15, 2002).

In accordance with the decision of the general meeting of shareholders dated October 11, 2004 No. (Minutes No. 3) the corporate (full official) and abbreviated names of the Bank were changed to Open Joint Stock Company National Bank "TRUST" National Bank "TRUST" (OJSC).

In accordance with the decision of the General Meeting of Shareholders of the Bank (Minutes No. 01 dated July 04, 2006), the abbreviated corporate name of the Bank was changed to NB TRUST (OJSC).

In accordance with the decisions of the Extraordinary General Meeting of Shareholders of the Bank (Minutes No. 1 dated April 08, 2008) and the Extraordinary General Meeting of Shareholders of Investment Bank TRUST (OJSC) (Minutes No. 1 dated April 08, 2008), the Bank was reorganized in the form of merger with him Investment Bank "TRUST" (JSC).

In accordance with the decision of the General Meeting of Shareholders of the Bank (Minutes No. 1 dated June 23, 2015), the name of the legal form of the Bank was brought into line with the law, the full and abbreviated corporate names of the Bank were changed to Public Joint Stock Company National Bank "TRUST" Bank "TRUST" (PAO).

1.3. Implementation by the Bank of Russia of measures to improve the financial stability of the Bank, creation of the Bank of non-core assets

On December 22, 2014, the Board of Directors of the Bank of Russia made a decision on the financial recovery of the Bank and approved the Plan for Participation of the State Corporation Deposit Insurance Agency (hereinafter, the State Corporation DIA) in preventing the Bank's bankruptcy. The participation plan provided for the assignment of the functions of the provisional administration to manage the bank to the DIA Group from December 22, 2014. For the period of the provisional administration, the powers of the Bank's shareholders related to participation in the authorized capital and the powers of the Bank's management bodies were suspended.

Otkritie Holding JSC, which was part of the Otkritie Holding Group, was chosen as an investor for the financial rehabilitation of the Bank. From June 23, 2015, the powers of the Bank's shareholders related to participation in the authorized capital and the powers of the Bank's management bodies were restored due to the expiration of the term for the performance of the functions of the provisional administration of the DIA Group.

In August 2017, a controlling stake in the Bank was acquired by PJSC Bank FC Otkritie and the Bank entered the Group of PJSC Bank FC Otkritie.

As part of the implementation of measures aimed at improving the financial stability of the Group, PJSC Bank FC Otkritie, on August 30, 2017, by order of the Bank of Russia, an interim administration was appointed to manage PJSC Bank FC Otkritie. Bank "TRUST" (PJSC)
On March 14, 2018, the Board of Directors of the Bank of Russia approved the Participation Plan Bank of Russia in the implementation of measures to prevent the bankruptcy of the Bank.

In accordance with Order No. OD-625 of March 14, 2018 of the Bank of Russia dated March 15, 2018, a temporary administration was appointed to manage the Bank. The functions of the interim administration are assigned to the Criminal Code of the RKBS. For the period of activity of the Provisional Administration to manage the Bank, the powers of the Bank's management bodies were suspended.

Based on Order No. OD-691 of the Bank of Russia dated 20 March 2018 and the decision of the provisional administration in March 2018, the Bank's authorized capital was reduced to one ruble by reducing the par value of shares.

In May 2018, based on the decision of the provisional administration (No. 573-03-VA dated April 28, 2018), an additional issue of ordinary shares of the Bank with a total nominal value of RUB 299,999,999 was carried out. The shares were purchased by the Bank of Russia and paid for at par. As a result of the additional issue, the Bank of Russia became a shareholder of the Bank, with a share in the authorized capital of 99.9999997%.

In accordance with the decisions of the provisional administration on the management of the bank Public Joint Stock Company National Bank "TRUST" (decision No. 8 dated May 28, 2018) and the provisional administration for managing the bank Joint Stock Company "ROST BANK" (decision No. 22-BA dated May 28, 2018) The bank was reorganized in the form of a merger with him Joint Stock Company "ROST BANK". The Provisional Administration ceased its functions on June 13, 2018 with the issuance of Order No. OD-1457 of the Bank of Russia. Since that date, the powers of the bank's shareholders related to participation in the authorized capital, and the powers of the Bank's management bodies have been restored in full.

Based on the decision of the General Meeting of Shareholders of the Bank dated July 30, 2018 No. (Minutes No. 02 dated July 31, 2018), as well as the decisions of the General Meeting of Shareholders of the Public Joint Stock Company Otkritie Financial Corporation Bank dated July 30, 2018 (Minutes No. 03/18 dated July 31, 2018) The Bank was reorganized in the form accession to it of the Joint-Stock Company "Bank Otkritie Spetsial".

In October 2018, in accordance with the Participation Plan, the Bank of Russia bought back ordinary shares from the Bank’s minority shareholders in the manner prescribed by Article 189.50 of Federal Law No. 127-FZ On Insolvency (Bankruptcy) and Article 84.8 of Federal Law No. 208-FZ On Shareholders societies."

Based on the decision of the General Meeting of Shareholders of the Bank dated December 25, 2018 (Minutes No. 04 dated December 26, 2018), as well as the decision of the sole shareholder of Joint Stock Company AVTOVAZBANK (decision No. RB-48/1145 dated December 25, 2018), the Bank was reorganized in the form of accession to it of the Joint Stock Company "AVTOVAZBANK".

### 1.4. Information about the corporate name of the Bank

**Firm (full official) name of the Bank in Russian –**

Public Joint Stock Company National Bank "TRUST".

**The abbreviated name of the Bank is TRUST Bank (PJSC).**

**The full corporate name of the Bank in English is National Bank TRUST.**

The abbreviated name of the Bank in English is NB TRUST.

### 1.5. Information about the state registration of the Bank

<table>
<thead>
<tr>
<th>OGRN</th>
<th>7831001567</th>
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<tbody>
<tr>
<td>TIN OKVED</td>
<td>64.19</td>
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<tr>
<td>Date</td>
<td>15.08.2002</td>
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Bank "TRUST" (PJSC)
### 1.6. Types of licenses under which the Bank operated in 2018

<table>
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<th>License type</th>
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<tr>
<td>License number</td>
<td>3279</td>
</tr>
<tr>
<td>Date received</td>
<td>26.08.2015</td>
</tr>
<tr>
<td>Authority, the Central Bank of Russia</td>
<td>that issued the license</td>
</tr>
<tr>
<td>License term</td>
<td>no time limit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of license</th>
<th>License of a professional participant in the securities market to carry out brokerage activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>License number</td>
<td>045-02961-100000</td>
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<tr>
<td>Date received</td>
<td>27.11.2000</td>
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<tr>
<td>Issuing authority license</td>
<td>FCSM of Russia (re-registered by the Central Bank of the Russian Federation)</td>
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<tr>
<td>License term</td>
<td>no time limit</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of license</th>
<th>License of a professional participant in the securities market to carry out dealer activities</th>
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<tr>
<td>License number</td>
<td>045-03065-010000</td>
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<td>Date received</td>
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<tr>
<td>Authority, the Central Bank of Russia</td>
<td>that issued the license</td>
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<tr>
<td>License term</td>
<td>no time limit</td>
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</table>

<table>
<thead>
<tr>
<th>Type of license</th>
<th>License of a professional participant in the securities market to carry out depositary activities</th>
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<tr>
<td>License number</td>
<td>045-03738-000100</td>
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<tr>
<td>Date received</td>
<td>27.11.2000</td>
</tr>
<tr>
<td>Issuing authority license</td>
<td>FCSM of Russia (re-registered by the Central Bank of the Russian Federation)</td>
</tr>
<tr>
<td>License term</td>
<td>no time limit</td>
</tr>
</tbody>
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<table>
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<tr>
<th>Type of license</th>
<th>License for banking operations for attracting deposits and placement of precious metals and other operations with precious metals</th>
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<tr>
<td>License number</td>
<td>3279</td>
</tr>
<tr>
<td>Date received</td>
<td>26.08.2015</td>
</tr>
</tbody>
</table>
| Authority, Central Bank of the Russian Federation | 7/40
The Supervisory Board of the Bank (Minutes No. 13/18 dated December 18, 2018) decided to stop the Bank from carrying out brokerage activities in the securities market. In the reporting year 2018, the Bank did not send an application to revoke the license to carry out brokerage activities in the securities market to the Bank of Russia.

1.7. Contact Information

<table>
<thead>
<tr>
<th>Location of the Bank</th>
<th>105066, g. Moscow, str. Spartakovskaya, d. 5, p. 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone number, fax (495) 647-90-21, fax (495) 647-28-05</td>
<td><a href="mailto:secretar@trust.ru">secretar@trust.ru</a></td>
</tr>
<tr>
<td>Email address (if available)</td>
<td><a href="mailto:secretar@trust.ru">secretar@trust.ru</a></td>
</tr>
<tr>
<td>available information about the Bank,</td>
<td><a href="http://www.trust.ru">www.trust.ru</a></td>
</tr>
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<td>on issued and (or) issued by him securities</td>
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1.8. Information on the registrar maintaining the register of holders of registered securities of the Bank

<table>
<thead>
<tr>
<th>Full brand name:</th>
<th>Joint-Stock Company &quot;Independent Company R.O.S.T.&quot;</th>
</tr>
</thead>
</table>
| Abbreviated corporate name: Location: | JSC "NRK - R.O.S.T."
| d. Moscow, str. Stromynka, d. 18, corp. 13 |
| TIN: | 7726030449 |
| OGRN: | 1027739216757 |
| Registrar's license to maintain the register of securities holders: | 045-13976-000001 |
| Date of issue: | 03.12.2002 |
| Period of validity: | without limitation of validity period |
| Authority that issued the said license: | Federal Commission for the Securities Market |
In accordance with the current legislation of the Russian Federation, the duties of the registrar also include the performance of the functions of the counting commission.

1.9. The size of the authorized capital of the Bank

As of December 31, 2017, the Bank issued 4,630,144,393,014,393 ordinary shares, no preference shares were placed. The par value of one share was 1,463,014,393 rubles. The size of the authorized capital was 10,000,001 rubles.

In March 2018, in accordance with Article 189.50 of Federal Law No. 127-FZ of October 26, 2002 “On Insolvency (Bankruptcy)”, based on the Order of the Bank of Russia No. OD-691 of March 20, 2018, the authorized capital was reduced Bank up to one ruble.

In May 2018, an additional issue of ordinary shares of the Bank was carried out in the amount of 1,389,043,313,274,173,506,985,607 shares with a nominal value of 1/4,630,144,393,014,393 rubles per share, with a total nominal value of RUB 299,999,999, as a result of which the size of the authorized capital amounted to 300,000,000 rubles.

On July 2, 2018, as part of the merger of ROST BANK JSC, additional shares of the Bank were placed by converting ordinary shares of ROST BANK JSC into ordinary shares of the Bank, as a result of which the authorized capital increased by 350,000,000 rubles and amounted to 650,000,000 rubles.

On October 25, 2018, an additional issue of ordinary uncertificated shares of the Bank was registered in the amount of 61,420,300,718,097,757,606,830 shares with a par value of 1/4,630,144,393,014,393 rubles per share by converting ordinary registered uncertificated shares of Joint Stock Company Otkritie Bank into shares of the Bank Special”, as a result of which the size of the authorized capital increased by 13,265,310 rubles. As of January 1, 2019, the amount of the paid-in and registered authorized capital of the Bank is 663,265,310 rubles and consists of 3,071,014,156,177,453,207,606,830 ordinary registered non-documentary shares with a par value of 1/4,630,144,393,014,393 rubles each.

II. POSITION OF THE BANK IN THE INDUSTRY. FINANCIAL RESULTS OVERVIEW

2.1. Position of the Bank in the industry

As of January 1, 2019, the key shareholder of the Bank is the Bank of Russia, with a 97.99999942% stake in the authorized capital.

Shareholder structure as of December 31, 2018: Central Bank of the

- Russian Federation - 97.99999942%
- PJSC Bank FC Otkritie - 2.00000057%
- Minority shareholders - 0.00000001%

The Bank of Russia transferred to the MC FKBS for trust management the ordinary shares of the Bank in the amount of 96,99999942%, while the transfer by the Bank of Russia of the ordinary shares of Bank TRUST (PJSC) to trust management does not entail the transfer of ownership of them to the MC FKBS.

The list of the main shareholders of the Bank and persons under whose control or significant influence the Bank is located is posted on the Bank’s website in the Internet information and telecommunications network at www.trust.ru/about/bank_holding/ and the official website of the Bank of Russia www.cbr.ru/credit/coinfo.asp?id=400000028 and is updated as information related to changes in the Bank’s ownership structure changes.

In connection with the creation of the BNA and the fulfillment of the tasks assigned to it, the Bank ceased to carry out core banking operations (which are non-core for the BNA), which led to the following changes in 2018:
`The branch network 3 was curtailed and exit from the regions where the Bank operates;`

`the card accounts of the Bank's clients were mainly closed;`

`stopped accepting deposits from legal entities and individuals, which led to a significant reduction in the portfolio of customer deposits;`

`the sale from the Bank's balance sheet of assets that are not problematic or non-core has been largely completed;`

`optimization of the number of personnel was`

`carried out at the expense of employees of the branch networks and divisions not related to the commercial activities of the Bank.`

Since the beginning of 2018, no credit rating has been assigned to the Bank. By TRUST "Rating banks", website given http://www.banki.ru/banks/ratings/,

Bank (PJSC) as of January 1, 2019, the Bank occupies:

`8th place in terms of assets,`

`12th place in the credit portfolio,`

`6th place in terms of investments in securities.`

The Bank is a member of the deposit insurance system (Certificate of inclusion of the Bank in the register of banks participating in the deposit insurance system No. 460 dated 11.01.2005).

Since May 16, 2018, the Bank has been the parent credit institution of the banking group, which, as of the end of 2018, includes over 200 companies (for more details, see Section III).

2.2. State of the Russian economy and banking sector in 2018 and future risks

In 2018, there was a positive trend in key indicators of the development of the Russian economy, which affected the development of the Russian banking system. The acceleration of GDP and industrial production growth rates in 2018 amounted to 2.3% and 2.9%, respectively, against 1.6% and 2.1% in 2017.

In the second half of 2018, the cycle of easing the monetary policy of the Bank of Russia, which had been going on since the beginning of 2015, was interrupted. The decision of the regulator to raise the key rate in September 2018 was due to growing external uncertainty and volatility in financial markets, as well as a noticeable increase in inflationary risks. The December tightening of monetary policy was preemptive and was aimed at limiting the realization of inflationary risks in the first quarter of 2019, including due to an increase in the VAT rate from the beginning of 2019, as well as one-off inflationary impulses in the second half of 2018. At the end of 2018, inflation accelerated from 2.5% to 4.3%, which turned out to be slightly higher than the regulator's forecast range for 2018. In the structure of the consumer price index, food products have risen in price the most. In 2018, against the backdrop of rising prices for the main Russian exports, the current account continued to strengthen to $113.8 billion (against $33.2 billion in 2017).

In 2018, the federal budget surplus amounted to 2.6% of the nominal volume of GDP against a deficit in 2017 at the level of 1.4% of GDP, while the volume of additional oil and gas revenues in 2018 amounted to about 4.1 trillion rubles.

The growth of total assets of banks in 2018 amounted to 10.4% (growth in 2017 - 6.4%). The dynamics of the indicator was mainly determined by the expansion of the loan portfolio (excluding loans to financial institutions), where, in turn, outpacing pace demonstrated a portfolio of loans to individuals.

The growth of corporate lending amounted to 10.5% (growth in 2017 - 0.2%). The acceleration in the growth rate of the corporate segment, in addition to the low base effect, was

As of 01/01/2019, the Bank's network includes 1 branch (in Moscow). In 2018, the branch of TRUST Bank (PJSC) in Cherepovets (registration number 3279/62, closing date 03/31/2018), the branch of TRUST Bank (PJSC) in Vladimir (reg. number 3279/1, closing date 09/30/2018) and branch of TRUST Bank (PJSC) in St. Petersburg (registration number 3279/67, closing date 11/30/2018). Bank "TRUST" (PJSC)
due to the continuation of the Bank of Russia key rate cut cycle in the first half of 2018, as well as to the expansion of investment demand.

The retail segment continued to grow strongly, as a result, the portfolio of loans to individuals expanded by 22.4% (in 2017 - by 12.7%) against the backdrop of outpacing growth in mortgage and housing loans. Retail lending dynamics was determined by relatively low interest rates in the first half of 2018 and the expansion of final consumer demand due to the persistence of a pronounced consumer behavior pattern.

The quality of the loan portfolio of the banking sector has significantly improved compared to the beginning of the reporting year: as of January 1, 2019, the share of overdue debt in the corporate loan portfolio was 6.3% (-0.2 p.p.), in the retail loan portfolio - 5%, 1% (-1.9 p.p.). The dynamics of deposits of individuals was quite uneven within the year. At the end of the whole year, the indicator increased by 9.5% (in 2017 - by 7.4%). The share of deposits in foreign currency in 2018 increased by 1 p.p. to 21.5%, which is associated with a significant increase in the volatility of the ruble exchange rate and an increase in rates on relevant instruments during the year.

In the corporate segment, customer funds grew by 16.4% (an increase over 2017) – at 7.6%.

The total profit of credit institutions in 2018 amounted to 1,345 billion rubles against 790 billion rubles in the previous period. Provisions for possible losses in 2018 increased by 622 billion rubles against an increase of 1,322 billion rubles in 2017.

In the banking sector, the process of consolidation continued in 2018: the number of operating credit institutions decreased by 77 units. to 484 units, including the number of banks decreased by 77 units. to 440 units, while the share of assets of the top 20 banks increased by 3 percentage points to 82%. 21% of credit institutions operating as of January 1, 2019 ended 2018 with losses.

2.3. Review of the Bank's financial results

Since as of 01.01.2018 the main shareholder of the Bank was PJSC Bank Otkritie with a 99.99998% interest in the authorized capital of the Bank, the Bank was part of a banking group whose parent credit institution until 16 May 2018 was PJSC Bank FC Otkritie. The consolidated financial statements of the banking group, the parent credit organization of which is PJSC Bank FC Otkritie, are disclosed on the Internet information and telecommunications network at https://ir.open.ru/reports.

Consolidated financial statements of the banking group, the parent credit organization of which is the Bank, is disclosed in the information and telecommunication network Internet by address http://www.trust.ru/about/accountancy/.

Accounting (financial) statements prepared in accordance with Russian accounting standards, including: Balance sheet (public form), statement of financial results (public form) for 2018, report on the level of capital adequacy to cover risks (public form), report on changes in the capital of a credit institution (published form), information on mandatory ratios, financial leverage ratio and short-term liquidity ratio (published form), cash flow statement (published form) as of January 1, 2019, compiled in the currency of the Russian Federation and presented in thousand rubles (individual indicators are indicated as a percentage (%)).

Key financial performance indicators of the Bank:

Data from published reporting forms compiled in accordance with Bank of Russia Ordinance No. 4212-U dated November 24, 2016 “On the List, Forms and Procedure for Compiling and Submitting Reporting Forms of Credit Institutions to the Central Bank of the Russian Federation” are used. Equity (capital) as of January 1, 2018 and January 1, 2019 was calculated in accordance with Bank of Russia Regulation No. 355-P, dated December 28, 2012, “On the Methodology for Determining the Size and Assessing the Adequacy of Credit Institutions' Own Funds (Capital) (Basel III)” (hereinafter referred to as Bank of Russia Regulation No. 355-P) and Bank of Russia Regulation No. 646-P dated July 4, 2018 “On the Methodology for Determining Own Funds (Capital) of Credit Institutions (Basel III)” (hereinafter referred to as Bank of Russia Regulation No. 646-P).
The bank ended 2018 with a loss of 157.3 billion rubles. The main impact on the financial result of 2018 was provided by net expenses for the formation of reserves for possible losses, which amounted to 157.7 billion rubles.

2.4. Structure of the Bank's assets as of 01/01/2018 and 01/01/2019

Net loan debt as of January 1, 2019 amounted to RUB 315.2 billion (as of January 1, 2018 – RUB 192.1 billion), or 43.8% of the Bank's assets. The growth of net loan debt in 2018 amounted to 64.1%.

Net investments in securities and other financial assets available-for-sale as of January 1, 2019 amounted to RUB 362.6 billion (as of January 1, 2018 – 177.0 billion rubles), or 50.4% of the Bank's assets, showing an increase of 104.9% compared to the data as of 01/01/2018.

The main reason for significant growth is the acceptance of the assets of ROST BANK JSC and Otkritie Special Bank JSC into the Bank's balance sheet during their reorganization in the form of merger with the Bank.

2.5. Structure of the Bank's liabilities as of 01/01/2018 and 01/01/2019

As a result of the merger of ROST BANK JSC, liabilities on deposits of the Central Bank of the Russian Federation in the total amount of 807.8 billion rubles were transferred to the Bank's balance sheet. The balance of funds raised from the Central Bank of the Russian Federation as of January 1, 2019 is RUB 1,423.4 billion, or 97.7% of the Bank's liabilities. The funds were raised in the form of deposits maturing in 2022–2023.

Funds of customers that are not credit institutions as of January 1, 2019 amounted to RUB 23.6 billion and decreased by 90% compared to January 1, 2018 (RUB 241.5 billion as of January 1, 2018). The main reasons for the decrease are the repayment of the loan of the DIA Group in the amount of 99 billion rubles in the reporting period, the decrease in the amount of funds of individuals by 91 billion rubles, the termination of obligations on deposits of legal entities in the amount of 28 billion rubles.

A significant decrease in the amount of funds of individuals is associated with the cessation of accepting deposits from individuals in accordance with the reorganization of the BNA business processes - the refusal to carry out active banking operations.

III. STRATEGY AND PROSPECTS OF THE BANK’S DEVELOPMENT, PRIORITY LINES OF THE BANK’S ACTIVITY

As part of the implementation of measures to form the BNA, a banking group was created (including agricultural and industrial holdings located throughout Russia), in which the Bank is the parent credit institution. As of the end of 2018, the Bank directly controls 30 legal entities in which the Bank is the controlling shareholder (participant), including, but not limited to: FC ROST LLC, Rost Investments LLC, Rost Capital LLC, Karon LLC, Rapid JSC, UNGP JSC, Elite Estate JSC, Zeleny Bor LLC, OTD Yasenevo JSC, Business Center JSC, Galileo Nanotech JSC, Troika 12 LLC.
Leasing", JSC “Vegetta”, JSC “Kuryanovskoye”, as well as 15 closed-end investment funds.

Total legal entities under direct or indirect (through third parties) control of the Bank, including located 208 companies of the Inteko group and PJSC “RUSGRAIN HOLDING”.

The purpose of the Bank is to ensure the maximum possible return of funds, allocated by the Bank of Russia for the financial rehabilitation of the Bank, by receiving compensation from the sale of non-core and distressed assets on market principles.

The main activities of the Bank are:

- collection of debts that were overdue or recognized problematic. Collection procedures are directed both at the assets of the borrowers themselves and at the assets of the previous management and beneficial owners in cases where they are jointly and severally liable for the debts of companies;
- sale of distressed and non-core assets;
- increase in the value and economic attractiveness of those assets that represent an ongoing business, which are either already on the Bank’s balance sheet or will be put on the balance sheet as a result of working with bad debts.

The increase in the value of assets should be achieved by monitoring activities and building an effective and transparent corporate governance system for each asset, which is planned to be carried out both by the Bank and with the involvement of external expertise.

Based on the results of the increase in the value of assets, it is planned to sell them on the market, including through the procedure of tenders (competitions), at the most favorable price for the Bank. The assessment of the key performance indicator

- the recovery forecast - was carried out by the Bank for each of the non-core assets, including with the participation of OOO UK FKBS. Based on the results of the above assessment, the Bank developed strategies for working (taking into account the deadlines) with each of the portfolios of problematic and non-core assets against which the fundraising target for general portfolio.

Management of non-core assets on the balance sheet of the Bank, carried out by the Bank on the following principles:

- transparency - openness and availability of information on the methods and approaches used for the entire set of assets managed by the Bank (including by posting on the Bank’s website the Bank’s internal regulatory documents defining methods and approaches to the sale of assets); openness of sale procedures - ensuring open and public procedures for the sale of assets, including on open trading floors, through bidding and auctions, using information disclosure methods available to potential buyers - by displaying on the Bank’s website and on specialized Internet sites;

- maximization of income - ensuring the receipt of income on all assets to the maximum extent possible, incl. sale of assets at the highest possible price;

- minimization of costs - limiting costs to the minimum amount necessary for conducting activities, incl. reducing the cost of maintaining assets; protection of the economic interests of the Bank;

- when dealing with assets — timely sale of assets, prevention of loss of asset value, protection of the rights and interests of the Bank before co-owners of assets and third parties in court;

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1 As of December 31, 2018

Bank "TRUST" (PJSC) 13/40
ANNUAL REPORT of the Public Joint Stock Company National Bank “TRUST” Bank “TRUST” (PJSC) for 2018

- expanding opportunities for the participation of legal entities and individuals for the purpose of acquiring assets, creating favorable conditions for such participation, incl. by creating an asset exposure.
- development of competitive bases for the participation of legal entities and individuals, in order to sell assets on the most favorable market conditions;
- minimization of possible abuses, both on the part of the Bank’s employees and on the part of the acquirers, as part of the asset management strategy and their implementation.

The tasks of the Bank in the field of work with non-core assets are carried out in including through:
- establishment of a system of distribution of powers between bodies management of the Bank;
- obtaining prior consent from the Supervisory Board of the Bank for making transactions with assets that are the main sources of repayment of funds provided by the Bank of Russia for the financial rehabilitation of the Bank;
- introduction of uniform standards for the Bank, distribution of functionality between the structural divisions of the Bank, high level of competence of employees; constant control over the state of the Bank’s work with assets, incl.
- monitoring the values of indicators characterizing the work of the Bank;
- development of motivation and increased responsibility of the Bank’s employees; improvement of the reporting system to the executive management bodies of the Bank, the Supervisory Board of the Bank.
- ensuring the protection of financial, image, and other interests of the Bank.
- implementation of a set of measures to prevent corruption.

IV. ON THE ACTIVITIES OF THE BOARD OF DIRECTORS (SUPERVISORY BOARD) OF THE BANK

Prior to the appointment of the Provisional Administration represented by the Management Committee of the FKBS (Order of the Bank of Russia dated March 14, 2018 No. OD-625), the Bank’s management body, along with the General Meeting of Shareholders and executive bodies, was the Board of Directors, and after the termination of the activities of the Provisional Administration on June 13, 2018 G. - Supervisory Board.

4.1. On the work of the Board of Directors and the Provisional Administration

By 15.03.2018, the Board of Directors of the Bank held two meetings in order to convene and hold an extraordinary General Meeting of Shareholders of the Bank (at the request of a shareholder of the Bank) and elect the Chairman of the Board of Directors (following the results of an extraordinary General Meeting of Shareholders of the Bank held on 22.02.2018, following which a new Board of Directors of the Bank was elected).

The Board of Directors of the Bank established the following committees (Minutes No. 54 dated July 26, 2016):

- Audit and Risk Committee of the Board of Directors of Bank TRUST (PJSC);
- Committee of the Board of Directors of TRUST Bank (PJSC) for Personnel and Remuneration.

The composition of the Committee of the Board of Directors of the Bank for Audit and Risks in the period from the beginning of 2018 to 29.06.2018 was represented by the following members of the Board of Directors of the Bank:

- Predtechensky Anatoly Nikolaevich (Chairman of the Committee);
- Popkov Dmitry Leonidovich;
- Veronika Viktorovna Dolenko.

In accordance with the decision of the Board of Directors (Minutes No. 92 dated June 29, 2017), the Bank’s Audit and Risk Committee included:

- Predtechensky Anatoly Nikolaevich (Chairman of the Committee);

In accordance with the Charter of the Bank until 06/13/2018 - the Board of Directors, after 06/13/2018 - the Supervisory Board.
ANNUAL REPORT of the Public Joint Stock Company National Bank "TRUST" Bank "TRUST" (PJSC) for 2018

• Popkov Dmitry Leonidovich;
• Nazarychev Mikhail Yurievich.

In accordance with the decision of the Board of Directors (Minutes No. 92 dated June 29, 2017), the Bank’s Human Resources and Remuneration Committee included:
• Aganbegyan Ruben Abelovich (Chairman of the Committee);
• Dankevich Evgeniy Leonidovich;
• Budnik Elena Vladimirovna.

From the beginning of 2018 until the election of the Supervisory Board of the Bank, the Committee of the Board of Directors of the Bank for Audit and Risks and the Committee of the Board of Directors of the Bank for Personnel and Remuneration did not carry out activities, did not hold meetings.

During the period of activity of the Provisional Administration, the powers of the Bank’s management bodies related to the adoption of decisions on issues referred to their competence by federal laws and the constituent documents of the Bank, the rights of the founders (members) of the Bank associated with participation in its authorized capital, including the right to convening the General Meeting of Shareholders (Participants) of the Bank7.

The priority tasks during the work of the Provisional Administration were: ensuring the smooth functioning of all basic processes of the Bank's activities and fulfilling the requirements of the Provisional Administration for the provision of documentation necessary for the implementation of audits provided for by the financial recovery plan.

4.2. About the work of the Supervisory Board

Based on the results of the annual General Meeting of Shareholders of the Bank (Minutes No. 01 dated 06/13/2018), it was decided to approve the Bank's Articles of Association in a new edition, with a change in the name of the management body from the Board of Directors to the Supervisory Board, and from 06/13/2018 the Supervisory Board of the Bank was elected as follows composition:
• Yudaeva Ksenia Valentinovna; Mikhail
• Mikhailovich Zadornov; Bakhturin Ilya
• Yuryevich; Alexey Vladimirovich
• Moiseev; Irzhovsky Mikhail Petrovich;
• Alexey Yuryevich Simanovsky; Titova
• Elena Borisovna.

The Supervisory Board of the Bank elected Yudaeva Ksenia Valentinovna to the position of the Chairman of the Supervisory Board of the Bank (Minutes No. 01/18z dated June 13, 2018). As part of the implementation of priority areas of activity in 2018, the Supervisory Board of the Bank held meetings on a regular basis (both in person and in absentia), at which the issues of approval of transactions, essential conditions for a number of transactions were considered, and internal documents were approved, in particular: "Regulations on the Audit Committee under the Supervisory Board of TRUST Bank (PJSC)", "Regulations on the Human Resources and Remuneration Committee under the Supervisory Board of TRUST Bank (PJSC)".

During 2018, 15 meetings of the Bank’s Supervisory Board were held, nine of them in person, at which, in addition to the above issues on the approval of transactions, approval of internal documents, such issues as convening extraordinary general meetings of shareholders of the Bank related to the reorganization of the Bank, determination of the share repurchase price, consideration of reports on the results of the share repurchase; approving the budget of the Bank's expenses, approving the audit plan and reports of the Internal Audit Service; consideration of reports of the Controller of a professional participant in the securities market; determination of the amount of remuneration to the President - Chairman of the Board and Deputy President - Chairman of the Board following the results of work; issues of remuneration to the auditor; issues related to participation in the authorized capital of legal entities, etc.

7 In accordance with subparagraphs 2 and 6 of paragraph 1 of Article 189.26, Article 189.34 of Federal Law No. 127-FZ dated October 26, 2002 "On Insolvency (Bankruptcy)", Bank of Russia Order No. OD-625 dated March 14, 2018 "On Imposing "Managing Company of the Banking Sector Consolidation Fund" the functions of temporary administration for managing the Bank for a period of 6 months from 03/15/2018 to 06/13/2018 were assigned to the "Managing Company of the Banking Sector Consolidation Fund" (hereinafter referred to as MC FCBS Bank "TRUST" (PJSC) LLC). 15/40
Until the end of 2018, decisions of the Bank’s Supervisory Board were made as part of the strategy for creating a BNA, in accordance with the approved work plan of the Bank’s Supervisory Board for the second half of 2018.

The Supervisory Board of the Bank (Minutes No. 02/18 dated June 19, 2018) determined the number of members of the Committees and the following Committees have been formed: **Audit Committee under the Supervisory Board of the Bank:**

- Simonovsky Alexey Yurievich (Chairman of the Committee);
- Yudaeva Xenia Valentinovna;
- Zadornov Mikhail Mikhailovich;
- Irzhevsky Mikhail Petrovich.

The main goal of the Audit Committee under the Supervisory Board of the Bank in accordance with the Regulations on the Audit Committee under the Supervisory Board of the Bank “TRUST” (PJSC) approved by the Supervisory Board (Minutes No. 10/18 dated 01.11.2018) is to promote the effective performance of the functions of the Supervisory Board Bank in terms of control over the financial and economic activities of the Bank, as well as the reliability and efficiency of the risk management and internal control system of the Bank. In 2018, four meetings of the above committee were held, following which recommendations were made to the Supervisory Board of the Bank on issues within the competence of the committee.

**Human Resources and Remuneration Committee under the Supervisory Board of the Bank:**

- Yudaeva Ksenia Valentinovna (Chairman of the Committee);
- Moiseev Alexey Vladimirovich; Titova Elena Borisovna.

The main goal of the HR and Remuneration Committee under the Supervisory Board of the Bank in accordance with the Regulations on the HR and Remuneration Committee under the Supervisory Board of the Bank “TRUST” (PJSC) approved by the Supervisory Board (Minutes No. 10/18 dated November 1, 2018) is to promote effective performing the functions of the Supervisory Board of the Bank in the field of appointments and remuneration of members of the management bodies and the Audit Commission of the Bank.

In 2018, two meetings of the above committee were held, at which, among other things, recommendations were developed to the Supervisory Board on the amount of bonuses paid to the President - Chairman of the Bank's Management Board, Deputy President - Chairman of the Bank's Management Board, and recommendations on candidates for election of a Member of the Bank's Management Board.

**Asset Management Committee under the Supervisory Board of the Bank:**

The Regulation on the Asset Management Committee under the Supervisory Board of the Bank was not approved in 2018. In 2018, this committee did not carry out activities, did not hold meetings.

This committee, within the framework of the Bank’s work with non-core assets, will carry out a preliminary review for subsequent approval by the Supervisory Board of: the Bank's business plan, which contains, among other things, data on the amount of cash recovery (recovery) for assets; transactions for write-off, sale, assignment of rights, disposal from the balance sheet of the Bank or subsidiaries and affiliates of assets that are within the competence of the Supervisory Board.

V. DIVIDEND REPORT

In accordance with the Federal Law “On Joint Stock Companies”, a company is entitled, based on the results of the first quarter, six months, nine months of the reporting year and (or) based on the results of the reporting year, to make decisions (announce) on the payment of dividends on outstanding shares, unless otherwise established by the Federal Law "About Joint Stock Companies. At the same time, the company is not entitled to make a decision (announce) on the payment of dividends if there are signs specified in Article 43 of the Federal Law “On Joint Stock Companies”.

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* The decision to establish the Asset Management Committee under the Supervisory Board and to approve the Regulations on the Committee was made by the Supervisory Board of the Bank on February 21, 2019 (Minutes No. 04/19). The Committee included: Bakhturin Ilya Yurevich (Chairman of the Committee); Zadornov Mikhail Mikhailovich; Yudaeva Ksenia Valentinovna; Titova Elena B.
Due to the fact that according to the results of financial and economic activities in 2017, Bank TRUST (PJSC) received a loss in the amount of 145,553,081,879.02 rubles, the annual General Meeting of Shareholders of the Bank, held on June 13, 2018, decided:

- not to pay dividends on shares of TRUST Bank (PJSC) based on the results of 2017; carry out partial
- repayment of the loss of the reporting year at the expense of retained earnings of previous years in the amount of 6,498,095.48 rubles; the amount of the
- outstanding loss of the reporting year in the amount of 145,546,583,783.54 rubles shall be charged to the account for recording uncovered losses.

VI. INFORMATION ON THE BANK'S EXTERNAL AUDITORS

To confirm the accuracy of the annual financial statements, the Bank, in accordance with the provisions of the Charter, engages a professional audit organization that has a good reputation and is independent of the Bank. To determine the independence of an audit organization, the Bank uses the criteria established by the Federal Law "On Auditing".

At the annual General Meeting of Shareholders of the Bank (Minutes No. 01 of June 13, 2018), the auditors of the Bank for 2018 approved the following companies:
- according to the accounting (financial) statements prepared in accordance with Russian accounting standards – the auditing company Financial and Accounting Consultants LLC;
- according to the consolidated financial statements of the Bank's group, prepared in accordance with the requirements of international financial reporting standards, – auditing company OOO Ernst & Young.

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ANNUAL REPORT of the Public Joint Stock Company National Bank "TRUST" Bank "TRUST" (PJSC) for 2018

At the Extraordinary General Meeting of Shareholders of the Bank held on November 29, 2018 (Minutes No. 03 dated December 03, 2018), at the suggestion of the Supervisory Board of the Bank, a decision was made to replace the Bank's auditor, namely: Ernst & Young LLC) was approved as the Bank's auditor to audit the accounting (financial) statements for 2018 prepared in accordance with Russian accounting standards.

VII. MAIN RISK FACTORS ASSOCIATED WITH THE BANK’S ACTIVITIES

In 2018, on the basis of the Bank, the Bank of Non-core Assets was formed, the problem assets of JSC ROST BANK, PJSC BINBANK, JSC Bank AVB, partially PJSC Bank FC Otkritie and other financial organizations were consolidated.

Due to the change in 2018 of the Bank’s main activities described in Section III of this Annual Report, the main risk factors have also changed, which in 2018 were primarily related to the task of maximizing collections on distressed and non-core assets.

As of December 31, 2018, the Bank prepared for approval by the Bank's bodies a number of internal documents that define the Bank's risk management strategy, taking into account the orientation of the Bank's activities to work with non-core assets and the fact that the Bank has become the parent organization of the banking group.

Currently, current risk control, which includes identification of significant risks, monitoring of strategies for working with assets, credit examination of transactions, preparation of reports on significant risks, is carried out by the Risk Department of the Bank, which, in accordance with the requirements of Bank of Russia Ordinance 3624-U, performs the functions of the Risk Management Service

By decision of the President - Chairman of the Management Board of the Bank, the Credit Committee, the Asset Management Committee, the Small Credit Committee for Corporate Business were formed to manage risks. The effectiveness of the risk management system is assessed by the Bank's Internal Audit Service, which is an independent structural unit reporting to the Supervisory Board of the Bank.

The process of identifying significant risks is carried out by the Bank at least once a year.

The Bank discloses information on accepted risks, procedures for their assessment, risk and capital management in accordance with Bank of Russia Ordinance No. 4482-U dated 07.08.2017 “On the Form and Procedure for Disclosing Information on Accepted Risks, Procedures by a Credit Institution (the Head Credit Institution of a Banking Group) their assessment, risk and capital management” in the form of separate (independent) information on the Bank’s website in the information and telecommunication http://www.trust.ru/about/accountancy/for_regulatory_purposes/

Unlike the classical banking model, where the task of risk management is to ensure that the level of capital is consistent with the nature and scale of activities while maximizing profits, the Bank’s risk management model pursues other goals due to the peculiarities of the BNA business model itself.

The credit risk has already materialized on the majority of the Bank’s assets and, therefore, the Bank does not need to manage capital and expected losses, except in isolated cases of additional financing and restructuring. In this regard, risk management in the Bank primarily aims to ensure the maximization of fees on assets (including subsidiaries and affiliates, hereinafter referred to as SDCs), which is achieved, among other things, through:

- availability of a system of distribution of powers and limits on accepted decisions as part of the approval of strategies for working with assets and transactions;

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9 The Supervisory Board approved the Risk and Capital Management Strategy of the TRUST Banking Group (approved on March 25, 2019): “Competence matrix of the collegiate bodies of TRUST Bank (PJSC) (approved on February 18, 2018); also, the executive bodies of the Bank approved and put into effect internal documents: “Procedure for interaction between divisions of Bank “TRUST” (PJSC) when monitoring strategies for the assets of Bank “TRUST” (PJSC), “Procedure for organizing work on the assessment and monitoring of collateral and property on the balance sheet of TRUST Bank (PJSC), “Procedure for monitoring the activities of subsidiaries and affiliates of TRUST Bank (PJSC) (Version 1.0)”.
conducting an examination of all transactions by independent divisions of the Bank (the Risk Department, the Finance Department, the Legal Department and the Security Service) before making a decision by the authorized management body of the Bank (hereinafter referred to as the RBM);

- the use of professional independent appraisal companies in the formation of a strategy for working with assets and in the direct sale of an asset/collateral;

- timely and high-quality monitoring of the implementation of DRR decisions; distribution of functionality between the Bank's divisions (receiving risk and its controllers) to avoid conflicts of interest;
- scrutiny of candidates for senior positions both in the BNA and in DSO;
- holding market auctions and competitions when choosing buyers/assets/property.

As part of its activities, the Bank identifies the following significant risks:

**Risks of non-receipt/incomplete receipt of a return on an asset**

1) The risk of choosing a non-optimal strategy

This risk arises when the Bank approves and implements a non-optimal strategy for working with an asset. The choice of a non-optimal strategy may be associated both with insufficient information when developing a strategy, and with incorrect use of available information when developing a strategy, for example, when calculating NPV using various scenarios or when initiating a borrower’s bankruptcy procedure in a case where the restructuring of obligations could provide more recurrence.

The Bank's risk management system includes:

- conducting a thorough examination of strategies for working with assets and their comparative analysis by independent departments of the Bank prior to their approval by collegial bodies;

- development of a unified methodology for calculating NPV10 and project evaluation;
- conducting stress testing financial approval/models at change of strategies for working with assets;
- participation of the Advisory Council in the development of recommendations for the authorized bodies of the Bank when approving/changing strategies for working with the largest assets;

- carrying out on a periodic basis by the Internal Audit Service and the Audit Commission, within the scope of their powers, checks of compliance with internal procedures and regulations when approving/changing strategies for working with assets.

2) The risk of changing the strategy of behavior of owners/beneficiaries business

This risk arises in the event of a deviation from the previously reached agreements between the BNA and the beneficiary of the asset, which were taken into account when predicting the recovery rate for the asset. The following actions are examples:

- presenting claims to borrowers for repayment of debts to creditors controlled by the beneficiaries of the assets;
- Refusal to issue additional collateral/guarantee for one’s own obligations;
- withdrawal of assets/flight of the beneficiary abroad, etc.

It is difficult to predict the likelihood of this risk realizing, it is necessary to monitor the situation in order to quickly respond to changes in the agreements reached, to develop measures to reduce the risks and adverse consequences of its implementation.

In the event of a negative scenario, the Bank, on an individual basis, must develop measures to minimize the consequences and determine a new strategy for working with the asset. At
In this regard, the Bank, in its work with problem assets, uses all available means, including:

- Prosecution of former business owners/beneficiaries through the courts both in the Russian Federation and abroad;
- search for assets of business owners/beneficiaries both in the Russian Federation and abroad.

3) Macroeconomic risk

This risk arises in the event of adverse macroeconomic events that may adversely affect the Bank's operations and the implementation of asset recovery strategies chosen by the Bank. The list of such events may include, but is not limited to:

- Deterioration of the geopolitical situation;
- introduction of new sanctions against the Russian Federation;
- decrease in the investment rating of the Russian Federation;
- depreciation of the national currency;
- a sharp decline in oil prices;

4) These events are beyond the control of both the Bank and borrowers/SDCs and cannot be predicted with sufficient accuracy, which significantly reduces the Bank's ability to hedge and minimize this risk.

Industry risk

This risk is associated with a possible deterioration in industry indicators affecting on the activities of SDCs and borrowers of the Bank.

The Bank's risk management system includes monitoring the state of industries, assessing key industry indicators that affect the implementation of asset management strategies, as well as setting thresholds in order to revise approved asset management strategies.

5) Credit risk due to additional financial investments

This risk arises if the Bank, as part of the implementation of the adopted strategy for working with the asset, decides to additionally finance the project, but in the future the borrower (including subsidiaries and affiliates) cannot repay (in full or in part) the debt to the Bank due to the deterioration of the financial condition borrower or problems in project implementation.

Decisions on additional financing can be made by the Bank, for example, for achieving the following goals:

- Completion of the construction of a property that is located in a high degree of readiness;
- provision of working capital to the borrower to settle with the budget and employees or to finance the purchase of raw materials and materials to resume operations and maintain the production cycle.

The Bank's risk management system includes:

- detailed analysis of the borrower's business plan and comparison of the NPV11 indicator between scenario with additional financing and with refusal of additional financing;
- distribution of decision-making powers between collegiate bodies and establishment of competence limits;
- examination of the transaction by various departments of the Bank prior to acceptance decisions of the SAO;
- obtaining additional collateral as part of additional financing of the transaction and appraisal of property by independent appraisal companies.

6) Credit risk due to restructuring

This risk arises if the Bank decides to restructure the current obligations of the borrower, but in the future the borrower cannot return (in whole or in part) the restructured debt to the Bank (the Bank cannot receive a refund in this case) due to the continued deterioration of the financial condition of the borrower, or for other reasons.

Restructuring decisions may be made, for example, in the following cases:

- postponement of the schedule for payment of interest/principal debt to a later date from the purpose of helping the borrower cope with temporary difficulties;
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• conversion of debt into equity in order to reduce the debt burden on the business and further sale of the stake to current beneficiaries or market investors;
• change in the structure and quality of collateral for a transaction. The Bank's risk management system includes:
  • detailed analysis of the borrower's business plan and comparison of the strategy for restructuring with other asset recovery strategies;
  • distribution of decision-making powers between collegiate bodies and establishment of competence limits;

  • examination of the transaction by various departments of the Bank prior to acceptance decisions of the SAO;
  • obtaining additional collateral as part of the transaction restructuring and appraisal of property by independent appraisal companies.

Within the framework of the Credit risk (clauses 5, 6), a business risk can be separately identified projects.

This risk arises in the event of decisions by the management/beneficiaries of the borrower/SDC, which may further lead to a deterioration in the financial condition of the borrower. Examples of the implementation of this risk can be:

• release of a product/service that cannot compete in quality/price with other market players;

• implementation of the project, the costs of which turned out to be higher than planned, which makes its operation inexpedient; • lack of qualified personnel to develop a successful business model or its further implementation;

• occurrence of a joint-stock conflict in the process of project implementation.

The Bank's risk management system includes:

• quarterly analysis of financial performance of all borrowers/SDCs;
• Approval of the appointment of the management of the SDE by the Human Resources Commission;
• attraction of independent industry experts to the Boards of Directors of SDCs; • Approval of the strategies for the development of SDCs at the Bank's ERR and regular monitoring of their execution.

7) Risk of incorrect valuation of the collateral/asset

This risk arises in the event of an incorrect assessment of the subject of collateral / asset when their direct implementation or when forecasting the return on the project.

Examples of the implementation of this risk can be:

• overvaluation of the subject of pledge for its subsequent sale, which makes the forecast return on the asset unattainable;

• undervaluation of the collateral for its subsequent sale, which makes the return on the asset less than the Bank could receive; • in the event of an asset exchange under a cession, the Bank may receive assets of a lower value than it transfers to the counterparty.

The Bank's risk management system includes:

• a compiled list of accredited companies that can be involved by the Bank to perform valuation of collateral/assets. This list includes, among other things, market leaders with extensive experience in similar tasks, for example, the Big Four companies of audit companies, the largest companies in the field of real estate; • Approval of accredited companies by the Credit Committee of the Bank;

• selection of independent appraisal companies from those accredited for carrying out by the Risk Department/Commission for the selection of counterparties in accordance with the internal regulations of the Bank;

• communication with appraisal companies by the Risk Department, which is independent from business units,

• prevention of the risk of internal and external fraud, measures to mitigation of these risks are described below.

Operational risks

1) The risk associated with non-execution of the project strategy
This risk arises in the event of non-execution (incomplete execution, execution with a delay) of the action plan (strategy) for working with the asset, approved by the authorized collegial bodies of the Bank, as well as in the event of negative external factors that could not be taken into account when approving the project strategy.

Examples of the implementation of this risk can be:
• Deviation from the approved DRR deadline for sending a notice of the initiation of bankruptcy proceedings/on holding auctions for the sale of the debtor's property and other mandatory procedures provided for by law;
• delay in preparing the development strategy for SDEs;
• technological failures, industrial accidents.

The Bank's risk management system includes:
• independent control (monitoring) on a permanent basis by Department of Risks of Execution of DRR Decisions;
• control over the prompt review of the strategy in terms of developing measures that eliminate/reduce the risk of the potential impact of external negative factors;
• carrying out by the Internal Audit Service and the Audit Commission of audits within their powers of the implementation of strategies for working with assets on a periodic basis. 2) Risk associated with loan collateral documentation
This risk arises in case of incomplete completeness/absence of credit security documentation. In the absence of original loan agreements or pledge/guarantee agreements, the Bank may be unable to prove in court the legitimacy of its claims against borrowers and guarantors or its rights to collateral. In addition, in the absence of original credit documentation, there is a risk of non-recognition of interest accrued on the principal debt.

The risk management system includes:
• detailed inventory of dossiers on all cessed portfolios and assets of affiliated banks;
• in case of detection of an incomplete set of loan and collateral documentation - taking measures to promptly obtain the missing documentation.

3) Infrastructural risk
This risk arises when decisions are made based on incorrect analytical data or the occurrence of technical errors, which may be the result of working with a very large portfolio of assets under management.

This risk is expected to be minimized by rebuilding the Bank's IT architecture, including the introduction of a unified CRM system and a unified data warehouse.

4) Personnel risk
This risk may arise if there are not enough qualified employees that the Bank can find to implement the strategy and achieve the Bank's goals.

Due to the uniqueness of the Bank's business model for the Russian market, there is a shortage of specialists (especially at the level of middle management) necessary to implement the tasks set for the Bank. This leads to the risk of "pioneers", when the development of methods and approaches to work, as well as staff training occurs in the process of work. The Bank's risk management system includes:

• Recruitment of qualified employees with the competencies most close to the tasks of the Bank;
• Availability of a motivation system that reflects the specifics of the Bank's activities, which would allow attracting and retaining the most valuable employees, as well as creating incentives for them to achieve the goals of the Bank's activities;
• development of internal regulations that ensure the proper organization of work and the availability of mechanisms for monitoring the implementation of procedures;
• Application of the principle of dual control in decision-making, implementation of key transactions, accounting, data processing, as well as subsequent control.

5) Risk of external fraud
This risk arises from intentional actions on the part of borrowers/counterparties and their beneficiaries outside the legal field, which worsen the results of asset recovery.

Examples of such risk are:
• falsification of reporting by borrowers;
• withdrawal of liquid assets from the business by beneficiaries for personal enrichment to the detriment of the interests of the company and creditors;
• formation of accounts payable affiliated with beneficiaries;
• collusion between appraisal companies and borrowers in order to overestimate the collateral, as well as conceal real information about its presence and physical condition.

As tools for minimizing this risk, the Bank uses:
• quarterly analysis of financial indicators;
• verification of all counterparties by the security service;
• use of the system of early warning signals;
• carrying out by the Internal Audit Service of inspections of activities of SDCs within its competence;

• implementation of measures to ensure the confidentiality of information, including including an action plan for working with assets, as well as an assessment by the bank in terms of the level of fees from the asset.

6) Risk of internal fraud
This risk arises from intentional actions on the part of employees of the Bank or SDCs outside the legal framework and (or) outside delegated authority, which worsen the results of asset recovery.

Examples of such risk are:
• use of funds provided by the Bank (within the framework of additional financing strategies) not for the intended purpose of SDCs;
• falsification of accounting/management reports by SDCs;
• use of affiliated companies by the management of the SDC/Bank for personal enrichment to the detriment of the interests of the SDC/Bank;
• sale of property to third parties at reduced prices.

The Bank's risk management system includes:
• distribution of powers for decision-making and transactions, collegiality of making all decisions in the Bank;
• introduction of a system of verification, control and verification when making transactions;
• Approval of the management of SDCs at the Human Resources Commission;
• verification by the security service of all employees of the Bank and top managers of SDCs;

• Monthly control by the Bank over the execution of the budget of SDEs;
• semi-annual control by the Bank over the implementation of the SDE development strategy;
• independent audits of SDCs and bank divisions by the Internal Audit Service reporting to the Supervisory Board, including for compliance with asset decision-making procedures, including their evaluation and implementation;

• sale of property and assets through open procedures (auctions, tenders, auctions, etc.)
• involvement of independent appraisal companies.

Other risks 1) Market risk
This risk arises as a result of fluctuations in market prices and quotations of financial instruments in the Bank's portfolio, which may lead to a decrease in their value. The Bank distinguishes only currency risk among market risk as significant. Due to the lack of a trading portfolio of securities, the equity risk is not significant for the Bank.
Foreign exchange risk arises from an imbalance in the Bank's foreign exchange assets and liabilities, and also when revenues, funding and expenses are denominated in different currencies.

On the Bank's side, the currency risk is minimized by daily control over the size of the economic (regulated) open currency position (OCP). At the moment, the regulated currency position of the Bank is closed.

2) Legal risk
This risk relates to contracts and transactions entered into by the Bank, affiliated/affiliated banks and SDCs before July 2018 with customers, employees, counterparties and former shareholders of the Bank, who may claim compensation for damage due to possible non-fulfillment of contractual obligations / negative impact of completed transactions. In addition, some of these transactions may not be fully reflected in the Bank's information systems.

Probability of realization of the specified risk and possible negative impact this risk to the Bank's activities cannot be assessed with a sufficient degree of reliability due to the current lack of information on the existence and content of such agreements/transactions.

When this risk materializes, the Bank in each particular case will have to develop measures to minimize the negative consequences of the realized risk.

Also, the legal risk is associated with the Bank's losses due to the recognition of contracts concluded by the Bank and customers(counterparties as invalid.

As part of the development of strategies for working with assets, the bank services analyze the presence / absence of loan security documentation and assess the likelihood of contesting transactions.

3) Credit risk on treasury operations
This risk arises if the Bank/SDCs place funds with counterparty banks, as well as if the Bank enters into urgent conversion transactions with financial institutions to regulate the currency position.

The management system includes setting limits on the volume of treasury transactions (correspondent accounts, interbank loans, conversion transactions) with counterparties that have a high level of creditworthiness: • with state participation of more than 50% and (or) • with ACRA ratings of at least AA(RU).

4) Risk of leakage of confidential information
This risk is associated with unfriendly behavior of the Bank's counterparty when trying to obtain the measures to implement the them confidential information, Bank's planned strategy for working with problematic and non-core assets, as well as in case of violation of the rules and procedures for the Bank's employees to work with this information.

The Bank's risk management system includes:
• implementation of the information security management system in accordance with the "Corporate policy of information security of TRUST Bank", including, among other things, such measures as logging user actions when using information resources, protection against interference in the functioning of information systems, limiting the use of external media, limiting the use of external email addresses;

• verification by the security service of candidates for all positions in the Bank.

VIII. INTERNAL CONTROL

The Bank organizes internal control ensuring an appropriate level of reliability corresponding to the nature and scale of the Bank's
operations, the level and combination of accepted risks, taking into account the requirements established by
the Bank of Russia.

To the system of internal control bodies in accordance with the current
the version of the Charter of the Bank includes:
- Governing bodies (General Meeting of Shareholders, Supervisory Board of the Bank, Management
  Board, President - Chairman of the Management Board);
- Audit Commission;
- Chief Accountant of the Bank (his deputies);
- Branch manager (his deputies) and chief accountant of the branch (his
  substitutes);
- Structural divisions (responsible employees) of the Bank, exercising internal control in accordance with
  the powers determined by the internal regulations of the Bank, including:
  - the Internal Audit Service of the Bank;
  - the Internal Control Service of the Bank;
  - Responsible officer (structural unit) for combating the legalization (laundering) of proceeds from crime
    and the financing of terrorism;

  - Supervisor of the Bank's professional activities in the securities market.

The procedure for the formation and powers of internal control bodies are determined
Charter and internal documents of the Bank.

The competence of the General Meeting of Shareholders of the Bank, the Supervisory Board of the
Bank, the Board of the Bank, the President - Chairman of the Board of the Bank is determined by the approved
Regulations that determine the activities of the above management bodies of the Bank.

The Audit Commission is elected by the General Meeting of Shareholders for a period until the annual General
Meeting of Shareholders of the Bank or an extraordinary General Meeting of Shareholders, the agenda of
which includes the issue of electing a new composition of the Audit Commission.

The Audit Commission checks the Bank's compliance with legislative and other acts regulating its
activities, the establishment of internal banking control, the legality of the operations performed by the Bank
(through a complete or selective audit).

Checking (audit) of the Bank's activities for the year, as well as at any time at the initiative of the Audit Commission of the Bank, the decision of the General
Meeting of Shareholders, the Supervisory Board of the Bank or at the request of the shareholder (shareholders)
of the Bank, owning (owning) in total at least 10% of voting shares of the Bank.

The Audit Commission shall submit to the General Meeting of Shareholders a report on the audit (audit)
carried out, as well as an opinion on the results of the audit of the annual accounting (financial) statements
submitted for approval by the Annual General Meeting of Shareholders, with recommendations on how to
eliminate the identified shortcomings.

Based on the results of the inspection (audit), if there is a threat to the interests of the Bank or its
depositors, or if abuses of officials are revealed, the Audit Commission has the right to demand the convening
of an extraordinary General Meeting of Shareholders of the Bank. Documented results of audits are submitted by the
Audit Commission to the Bank's Supervisory Board, as well as the Bank's Management Board for taking
the necessary measures.

The chief accountant of the Bank (his deputies), the head (deputy) and the chief accountant (his deputy) of the
Bank's branches ensure the creation of a methodological framework for accounting for banking and intra-company
operations, the organization and maintenance of accounting, ensuring the completeness, reliability of
compilation and timeliness of reporting in accordance with the requirements of the legislation of the Russian
Federation and regulatory documents of the Bank of Russia, within the framework of the functionality determined
by the Regulations on
divisions, job descriptions and internal regulations of the Bank.

For the annual audit of the annual accounting (financial) statements of the Bank, the Bank annually engages an external audit organization that has no property interests with the Bank or its participants.

*Bank's internal audit service.* The Bank has established and operates an independent internal audit unit, which complies with the requirements of Bank of Russia Regulation No. 242-P dated December 16, 2003 “On the Organization of Internal Control in Credit Institutions and Banking Groups”, as well as the requirements set by the Bank’s shareholders for the organization of an internal control of non-core assets in the Bank. The Bank's Internal Audit Service operates in accordance with the Charter and internal regulations of the Bank, which are approved by the Supervisory Board of the Bank and regulate the activities of the Service.

The Head of the Internal Audit Service of the Bank is elected and dismissed from positions of the Supervisory Board of the Bank.

The Internal Audit Service of the Bank is accountable in its activities to the Supervisory Board of the Bank, to which it submits reports on its activities at least twice a year, including reports on the implementation of audit plans, and at least once every six months, information on measures taken to implement recommendations and eliminate detected violations. An independent audit of the activities of the Bank's Internal Audit Service is carried out in accordance with the regulations of the Bank of Russia.

The Bank's Internal Audit Service is authorized to carry out inspections in all areas of the Bank's activities, to assess the effectiveness of the internal control system as a whole and other powers in accordance with the legislation, regulatory legal acts and internal regulations of the Bank.

Information about identified deficiencies, violations and recommendations is brought to the attention of the Bank's management bodies. On a periodic basis, control is exercised over the timely elimination of identified violations and the implementation of measures aimed at establishing controls, minimizing risks and improving the efficiency of business processes.

The purpose of the Internal Audit Service in 2018 was to assist the Bank's management bodies by conducting an independent assessment of the effectiveness of the internal control system, risk management and corporate governance during internal audits.

When planning the activities of the Internal Audit Service, a risk-based approach is used, thus, the audit plan included areas of the Bank's activities with the highest level of risk, requiring priority attention from the executive bodies and the Supervisory Board.

In the second half of 2018, in connection with the transformation of the Bank into the Bank of non-core assets and the need to restructure the Bank's internal control system, the Internal Audit Service, guided by the recommendations of the Audit Committee under the Bank's Supervisory Board, conducted audit reviews of the Bank's emerging business processes of non-core assets and provided advice in terms of organizing an internal control system and minimizing risks. The results of each audit were documented in a report.

*Responsible officer (structural unit) for combating the legalization (laundering) of proceeds from crime and financing of terrorism (hereinafter referred to as the Responsible AML / CFT officer) is a special official appointed by the President - Chairman of the Board of the Bank, who is responsible for the development and compliance in the Bank of internal control rules in order to counteract the legalization (laundering) of proceeds from crime and the financing of terrorism and programs for its implementation.*
The responsible AML/CFT officer is independent in his activities from other structural divisions of the Bank and performs it under the general supervision of the President - Chairman of the Management Board of the Bank. The responsible AML/CFT officer manages the structural subdivision of the Bank, which coordinates activities to counter the legalization (laundering) of proceeds from crime and the financing of terrorism.

The responsible AML/CFT officer is vested with the following powers:
- to receive necessary administrative and accounting documents from the heads and employees of the structural subdivisions of the Bank;
- to enter the premises of the structural subdivisions of the Bank, as well as the premises used for storing documents (archives), cash and valuables (cash vaults), accompanied by persons responsible for the safety of valuables; for computer data processing (computer rooms) and storage of data on machine media - accompanied by persons responsible for the functioning and security of the premises used for data processing and storage;
- give temporary, within the time limits established by the legislation of the Russian Federation for conducting an operation (transaction) (until the decision of the President - Chairman of the Management Board of the Bank), written instructions regarding the conduct of an operation (transaction);
- other powers in accordance with the Bank's internal regulations.

Internal control for the purpose of combating the legalization (laundering) of proceeds from crime and the financing of terrorism is part of the Bank's internal control system and is carried out by the Bank's structural divisions and employees on an ongoing basis.

Responsible for the organization in the Bank of combating the legalization (laundering) of proceeds from crime and the financing of terrorism is the President - Chairman of the Board of the Bank.

The Bank's Internal Control Service is an independent structural subdivision exercising internal control, formed and operating on the basis of the legislation of the Russian Federation, the Articles of Association, the Regulations on the Bank's Internal Control Service and other internal documents of the Bank. The management of the Internal Control Service of the Bank is carried out by the Head of the Internal Control Service of the Bank, who is appointed and dismissed by the President – Chairman of the Board of the Bank.

The Head of the Internal Control Service of the Bank is accountable and subordinate to the President - Chairman of the Management Board of the Bank. The head of the Bank's Internal Control Service, upon appointment and throughout the entire period of performance of functions, must comply with the qualification and business reputation requirements established by the Bank of Russia. The Bank's internal control service is empowered to: identify compliance risk, i.e. the risk of the Bank incurring losses due to non-compliance with the laws of the Russian Federation, internal documents of the Bank, standards of self-regulatory organizations (if such standards or rules are mandatory for the Bank), and also as a result of application of sanctions and (or) other measures of influence on the part of supervisory authorities (hereinafter referred to as regulatory risk);

- accounting for events associated with regulatory risk, determining the likelihood of their occurrence and quantification of possible consequences;
- monitoring regulatory risk, including by analyzing the new banking products and services being introduced by the Bank and the planned methods of their implementation for the presence of regulatory risk;
- sending, if necessary, recommendations on regulatory risk management to the heads of the Bank's structural divisions and the executive body determined by the Bank's internal documents;
- coordination and participation in the development of a set of measures aimed at reducing the level of regulatory risk in the Bank;
- monitoring the effectiveness of regulatory risk management;
- participation in the development of internal documents on the management of regulatory risk;
- informing the Bank's employees on issues related to the management of regulatory risk;
- identification of conflicts of interest in the activities of the Bank and its employees, participation in the development of internal documents aimed at its minimization;
- analysis of indicators of the dynamics of complaints (appeals, statements) of customers and monitoring the observance by the Bank of the rights of customers;
- analysis of the economic feasibility of concluding agreements by the Bank with legal entities and individual entrepreneurs for the provision of services and (or) the performance of work that ensures the Bank's banking operations (outsourcing);

- participation in the development of internal documents aimed at combating commercial bribery and corruption;
- participation in the development of internal documents and organization of events aimed at compliance with the rules of corporate conduct, professional ethics;
- participation within its competence in the interaction of the Bank with supervisory authorities, self-regulatory organizations, associations and financial market participants;
- other powers in accordance with the legislation of the Russian Federation, the Regulations on the Bank's Internal Control Service and other internal documents of the Bank.

Head of the Division that performs the functions of the Risk Management Service, is appointed and dismissed by the President - Chairman of the Management Board of the Bank and acts on the basis of the legislation of the Russian Federation, the Articles of Association, the Regulations on this unit and other internal documents of the Bank. A unit that performs risk management functions is created to identify, assess, aggregate the most significant risks, assess the adequacy of the capital available to a credit institution (banking group) to cover significant risks, capital planning based on the results of a comprehensive assessment of significant risks, testing the stability of a credit institution (banking group). The head of the Division, which performs the functions of the Bank's risk management service, is directly subordinate to the President - Chairman of the Bank's Management Board or his Deputy, who is a member of the Bank's Management Board, whose subordination does not include divisions related to the performance of banking operations and other transactions by the credit institution. The head of the Division that performs the functions of the risk management service has the right to involve employees of other divisions of the Bank in the performance of his functions in agreement with their heads, request from other divisions of the Bank the necessary information, initiate the inclusion in the agenda of the collegial bodies of the Bank of issues related to the competence of his Division, as well as exercise other rights within the framework of the Bank's internal document on the Subdivision performing the functions of the Risk Management Service.

In order to control the compliance of the Bank's activities as a professional participant in the securities market with the requirements of the legislation of the Russian Federation on the securities market and regulations in the field of financial markets, the legislation of the Russian Federation on the protection of the rights and legitimate interests of investors in the securities market, the legislation of the Russian Federation on advertising, as well as internal control, in order to counteract the misuse of insider information and market manipulation, the Bank appoints the Controller of a professional participant in the securities market. The Bank ensures the continuity of internal control as a professional participant in securities.
The controller of a professional participant in the securities market acts in accordance with the legislation of the Russian Federation, regulations of the Bank of Russia, on the basis of the Charter and the Bank's internal document on internal control of a professional participant in the securities market.

The status, subordination, functions, rights and obligations of the Controller of a professional participant in the securities market are determined by the legislation of the Russian Federation, the Bank's internal document on internal control of a professional participant in the securities market. The controller of a professional participant in the securities market of the Bank is appointed and dismissed by the President - Chairman of the Management Board of the Bank. The controller of a professional participant in the Bank's securities market is independent in its activities from other structural divisions of the Bank. The Supervisory Board of the Bank exercises control over the activities of the Controller of a professional participant in the securities market of the Bank.

The controller of a professional participant in the securities market of the Bank is not entitled to combine the activities of exercising internal control with the management of a unit whose functions include legal (legal) support for the activities of a professional participant.

IX. INFORMATION ON TRANSACTIONS MADE BY THE BANK IN 2018 RECOGNIZED IN ACCORDANCE WITH THE FEDERAL LAW "ON JOINT STOCK COMPANIES" AS MAJOR TRANSACTIONS

A major transaction is a transaction related to the acquisition, alienation or the possibility of alienation by the Bank of property, the value of which is 25 percent or more of the book value of the Bank's assets, determined according to its accounting (financial) statements as of the last reporting date.

In 2018, the General Meeting of Shareholders of the Bank did not make decisions on transactions that were in accordance with Article 78 of the Federal Law "On Joint Stock Companies" dated 26.12.1995 No. 208-FZ major transactions12.

X. INFORMATION ABOUT TRANSACTIONS MADE BY THE BANK IN 2018 RECOGNIZED UNDER THE FEDERAL LAW "ON JOINT STOCK COMPANIES" AS TRANSACTIONS IN WHICH THERE WERE INTERESTED

In accordance with the provisions of Federal Law No. 208-FZ of December 26, 1995 "On Joint-Stock Companies", an interested party transaction does not require mandatory prior consent for its completion.

An interested party transaction may be subject to approval by the Supervisory Board or the General Meeting of Shareholders of the Bank prior to its completion at the request of the sole executive body, a member of the collegial executive body of the company, a member of the board of directors (supervisory board) of the company or a shareholder (shareholders) possessing by at least one percent of the company's voting shares.

In accordance with the Federal Law "On Joint Stock Companies" in 2018, the persons recognized as interested in the transactions of Bank "TRUST" (PJSC) were:

- members of the Board of Directors (since June 13, 2018 - Supervisory Board) of the Bank; members of the collegial executive body (Board) of the Bank;

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12 The information in Sections IX and X of this Annual Report is given taking into account the fact that in the period from 03/15/2018 to 06/13/2018, the functions of the provisional administration for managing the Bank were assigned to the "Management Company of the Banking Sector Consolidation Fund" (hereinafter referred to as LLC "UK FKBS") and for the specified period, the powers of the Bank's management bodies related to decision-making, including within the framework of Article 78 of the Federal Law "On Joint Stock Companies", were suspended, and taking into account the Bank's Quarterly Reports for Q1-IV 2018 disclosed.
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- persons who performed the functions of the sole executive body of the Bank (Chairman of the Management Board of the Bank (since June 13, 2018 - President-Chairman of the Management Board of the Bank); persons who were controlling persons of the Bank; other persons who had the right to give the Bank binding instructions. In 2018, for consideration The General Meeting of Shareholders of the Bank did not raise questions about consent to the conclusion or subsequent approval of transactions in which there was an interest, since the Bank did not receive a request for the need to obtain consent to the conclusion of these transactions. 2018 were approved at the annual General Meeting of Shareholders of the Bank on 29.06.2017 (Minutes No. 4 dated 06.29.2017) and by the Board of Directors (Minutes No. 92 dated 06.29.2017), in accordance with the request of the Chairman of the Management Board of the Bank.

In 2018, the Supervisory Board of the Bank made decisions on granting consents (approvals) for transactions in which there was an interest in the second half of 2018. The essential terms of such transactions are classified as banking secrecy, and therefore are not disclosed in this report. The report on transactions concluded by the company in the reporting year, in which there is an interest, is signed by the President-Chairman of the Management Board and approved by the Bank's Supervisory Board, the reliability of the data contained in it is confirmed by the Audit Commission of the Bank. The total number of related-party transactions made by the Bank in 2018 was 1,521 for a total amount of RUB 4,306,467,293,747.78, of which:

- approved by the General Meeting of Shareholders - four transactions, for a total of 645,500,000.00 rubles;
- approved by the Supervisory Board - 106 transactions for the total amount of 83,010,377,304.78 rubles;

There were no transactions in which there was an interest and a decision on consent to the conclusion or on the subsequent approval of such a transaction was not taken, since the requirement to obtain consent to the conclusion of these transactions in accordance with the Federal Law "On Joint Stock Companies" was not received by the Bank: 1411 transactions for a total the amount of 4,222,811,416,443.00 rubles.

XI. CORPORATE GOVERNANCE

The Bank's corporate governance system is based on unconditional compliance with the requirements of Russian legislation and Bank of Russia regulations. The Bank is a public company and discloses information about its activities in accordance with the requirements of the law. The Bank's corporate governance system covers the relationship between the executive bodies, the Supervisory Board of the Bank, shareholders, and other interested parties. The Bank's corporate governance system is aimed at maintaining a reasonable balance between the effectiveness of the Bank's management and the observance of the interests and protection of shareholders' rights.

Within the framework of the current corporate governance structure, the powers are distributed and the general management, carried out by the General Meeting of Shareholders and the Supervisory Board of the Bank, and the management of the current activities of the Bank, carried out by its executive bodies (the Management Board, the President - Chairman of the Management Board of the Bank). The competence of the Bank's management bodies is determined by the Federal Law "On Joint Stock Companies", the Federal Law "On Banks and Banking Activities", the Charter of the Bank, internal documents on the activities of the relevant management bodies of the Bank.
11.1. Management bodies of the Bank as of 01.01.2019

- General meeting of shareholders of the Bank;
- Supervisory Board of the Bank;
- The Board of the Bank is a collegial executive body;
- President - Chairman of the Board of the Bank - sole executive organ.

11.2. Information about the General Meeting of Shareholders of the Bank

The General Meeting of Shareholders is the supreme management body of the Bank and makes decisions on issues referred to its competence by the Federal Law "On Joint Stock Companies" and the Charter of the Bank.

At the Annual General Meeting of Shareholders of the Bank held on 13.06.2018, decisions were made to approve the Bank’s Annual Report for 2017, annual accounting (financial) statements, distribution of the Bank’s profit for 2017, including the payment (declaration) of dividends, and losses on the results of the reporting year, on the approval of the Bank's Articles of Association in a new edition, on the election of members of the Supervisory Board of the Bank, on the election of members of the Audit Commission of the Bank, on the approval of the Bank's auditors for 2018, on the increase in the authorized capital of Bank "TRUST" (PJSC) by converting into its additional shares of shares of ROST BANK JSC.

In addition to the annual General Meeting of Shareholders of the Bank, four extraordinary General Meetings of Shareholders of the Bank were held in 2018, one of which (dated February 22, 2018) was held at the request of the Bank’s shareholder (PJSC Bank FC Otkritie) in order to consider the issues of termination of powers of members of the Board of Directors of the Bank, determination of the number of members of the Board of Directors of the Bank and election of the Board of Directors of the Bank in a new composition. Extraordinary General Meetings of Shareholders (dates of 07/30/2018 and 12/25/2018) concerned the adoption of decisions on the approval of a new version of the Bank's Articles of Association, increase in the Bank's authorized capital and reorganization of the Bank (in the form of the merger of Otkritie Special Bank JSC and the merger of AVB Bank JSC).

The Extraordinary General Meeting of Shareholders (date of November 29, 2018) was held in order to make decisions on the approval of the Regulations on the Bank's management bodies (Regulations on the procedure for preparing and holding General Meetings of Shareholders of Bank "TRUST" (PJSC), Regulations on the Supervisory Board of the Public Joint Stock Company National Bank "TRUST", Regulations on the Board of the Public Joint Stock Company National Bank "TRUST", Regulations on the Audit Commission of the Public Joint Stock Company National Bank "TRUST" and Regulations on remuneration and compensation to members of the Supervisory Board of the Public Joint Stock Company National Bank "TRUST", as well as approval an auditor who audits the accounting (financial) statements of TRUST Bank (PJSC) for 2018, prepared in accordance with Russian standards (RAS).

11.3. Information about the Supervisory Board of the Bank

The key task of the Supervisory Board of the Bank is the general management of activities and ensuring the interests of the Bank's shareholders, with the exception of resolving issues referred to the Federal Law "On Joint Stock Companies" and the Charter of the Bank to the competence of the General Meeting of Shareholders.

The number of members of the Supervisory Board of the Bank is determined by the decision of the General Meeting of Shareholders in accordance with the requirements of the Federal Law "On Joint Stock Companies" and the Charter of the Bank. Members of the Bank’s Supervisory Board are elected from among the candidates nominated by the shareholders in accordance with the procedure established by the Bank's Charter. If there are no or insufficient number of candidates proposed by the shareholders to form the Supervisory Board of the Bank, the Supervisory Board has the right to include candidates in the list of candidates for voting on elections to the Supervisory Board at its own discretion.

When nominating a candidate for membership in the Supervisory Board, the Bank receives from the candidate a written consent to his election to the Supervisory Board and to his work in the committee (committees) of the Supervisory Board, if Bank TRUST (PJSC) is expected to participate 31/40
nominated candidate in the work of such committee(s). Members of the Bank’s Supervisory Board are elected by cumulative voting. Candidates who received the largest number of votes of shareholders participating in the General Meeting of Shareholders are considered elected to the Supervisory Board of the Bank. Members of the Supervisory Board of the Bank are elected by the General Meeting of Shareholders in the manner prescribed by

the Charter of the Bank for a period until the next annual General Meeting of Shareholders. If the annual General Meeting of Shareholders was not held within the period established by the Charter of the Bank, the powers of the Supervisory Board shall terminate, except for the powers to prepare, convene and hold the annual General Meeting of Shareholders.

Shareholders (shareholder) who in the aggregate own at least 2 percent of the Bank’s voting shares are entitled to submit their proposals for candidates for members of the Supervisory Board. In its activities, the Supervisory Board of the Bank is guided by the Federal Laws “On Banks and Banking Activities”, “On the Central Bank of the Russian Federation (Bank of Russia)”, “On Joint Stock Companies”, other federal laws and other legal acts of the Russian Federation, Bank of Russia regulations (Further -

legislation), the Charter of the Bank, decisions of the General Meeting of Shareholders and the Regulations on the Supervisory Board of the Bank.

Information on the work of the Supervisory Board of the Bank in 2018 and the Committees established from among the members of the Supervisory Board of the Bank is presented in Section IV of this Annual Report.

Links to information about the members of the Board of Directors of the Bank and the Supervisory Board of the Bank, including brief biographies, their share in the authorized capital of the Bank and the share of ordinary shares of the Bank they own, are provided in Sections IV and XIII of this Annual Report.

11.4. Information about the executive bodies (the Management Board of the Bank, the President - Chairman of the Board of the Bank)

The Management Board is a collegial executive body of the Public Joint Stock Company National Bank “TRUST” (hereinafter referred to as the Bank), which, together with the sole executive body - the President - Chairman of the Management Board of the Bank, manages the current activities of the Bank. The Management Board is accountable to the General Meeting of Shareholders of the Bank and the Supervisory Board of the Bank.

In its activities, the Management Board is guided by the Civil Code of the Russian Federation, the Federal Laws “On Banks and Banking Activities”, “On the Central Bank of the Russian Federation (Bank of Russia)”, “On Joint Stock Companies”, other federal laws and other legal acts of the Russian Federation, regulations Bank of Russia (hereinafter -

legislation), the Charter of the Bank, decisions of the General Meeting of Shareholders and the Supervisory Board of the Bank, as well as these Regulations.

Determination of the quantitative and personal composition of the Board and election members of the Management Board is carried out by decision of the Supervisory Board of the Bank.

The Board is headed by the President - Chairman of the Board. The term of office of the President - Chairman of the Management Board and other members of the Management Board is determined by the decision of the Supervisory Board of the Bank on the formation of the executive bodies of the Bank, but cannot exceed five years.

The term of office of the members of the Management Board, appointed when filling vacancies of the members of the Management Board who retired early or when the quantitative composition of the Management Board is increased, cannot exceed the term of office of the President - Chairman of the Management Board.

Deputy Presidents - Chairmen of the Board are members of the Board ex officio. Persons elected to the Management Board may be re-elected an unlimited number of times.
The Supervisory Board of the Bank is entitled at any time to decide on the early termination of the powers of the members of the Management Board, terminate the agreements concluded with them, and decide on the formation of a new composition of the Management Board.

The report on the work of the Management Board of the Bank for 2018 is presented in Section XV of this Annual Report.

Information about the sole executive body (President - Chairman of the Management Board), as well as links to information about the executive body (the Management Board of the Bank), including brief biographies, their share in the authorized capital of the Bank and the share of ordinary shares of the Bank they own, are presented in Section XIV of this Annual Report.

11.5. Control over the financial and economic activities of the Bank

In accordance with the decision of the Annual General Meeting of Shareholders of the Bank held on 13.06.2018 (Minutes No. 01 dated 13.06.2018), the quantitative composition of the Audit Commission was determined and the following were elected to its composition:

- Kovalev Sergey Viktorovich;
- Sluzhevenkova Elena Anatoliyevna;
- Kurasova Olya Vladimirovna

These persons have the necessary professional knowledge and practical experience.

By decision of the General Meeting of Shareholders of the Bank, the members of the Audit Commission during the period of performance of their duties may be paid remuneration and (or) reimbursed for expenses related to the performance of their duties. In 2018, such decisions were not made by the General Meeting of Shareholders of the Bank, and remuneration was not paid to members of the Audit Commission. Since members of the Bank’s Audit Commission are simultaneously employees of the Bank, the amounts of remuneration paid in 2018 were determined by employment contracts and supplementary agreements to employment contracts concluded with members of the Bank’s Audit Commission. No other agreements were concluded with members of the Audit Commission of the Bank in 2018.

XII. INFORMATION ON THE COMPOSITION OF THE BOARD OF DIRECTORS (SUPERVISORY BOARD) OF THE BANK

The personal composition of the Boards of Directors of the Bank in force in 2018, brief biographical data, including information on the qualifications and work experience of persons who were members of the Board of Directors of the Bank, are disclosed by the Bank as part of the Quarterly Reports posted on the Bank's website on the Internet at http://www.trust.ru/about/accountancy/disclosure_information/

Information on the personal composition of the Supervisory Board of the Bank from June 13, 2018 to the present, brief biographical data of the Chairman and members of the Supervisory Board are disclosed by the Bank as part of the Quarterly Reports posted on the Bank's website on the Internet at http://www.trust.ru/about/accountancy/disclosure_information/

Information about the qualifications and work experience of the current members of the Supervisory Board of the Bank is disclosed on the Bank's website on the Internet at http://www.trust.ru/about/leaders/

In 2018, the members of the Board of Directors (Supervisory Board) of the Bank did not make transactions to acquire the shares of the Bank, the share of participation in the authorized capital of the Bank is 0%, the share of ordinary registered shares of the Bank they own is 0%.

XIII. INFORMATION ON THE PERSON HOLDING THE POSITION OF THE SOLE EXECUTIVE BODY OF THE BANK (CHAIRMAN OF THE BOARD) AND MEMBERS OF THE COLLEGE EXECUTIVE BODY OF THE BANK (BOARD)

Information about the persons who held the position of the sole executive body of the Bank in 2018, brief biographical data, including information on the qualifications and work experience of persons holding the position of TRUST Bank (PJSC) 33/40
sole executive body, disclosed by the Bank as part of the Quarterly reports posted on the Bank’s website on the Internet at http://www.trust.ru/about/accountancy/disclosure_information/

Since July 30, 2018, the position of the sole executive body of TRUST Bank (PJSC) has been occupied by Alexander Konstantinovich Sokolov. Brief biographical data and information on the qualifications and work experience of the President - Chairman of the Board Sokolov A.K. disclosed on the Bank’s website on the Internet at http://www.trust.ru/about/leaders/

The collegial executive body of TRUST Bank (PJSC) is Bank Board.

The personal composition of the collegial executive body (the Management Board of the Bank), which operated in 2018, brief biographical data of the persons who were members of the collegial executive body (the Management Board of the Bank), are disclosed by the Bank as part of the Quarterly reports posted on the Bank's website on the Internet at http://www.trust.ru/about/accountancy/disclosure_information/

Information about the qualifications and work experience of persons included in the current personal composition of the Management Board of the Bank is disclosed on the Bank's website on the Internet at http://www.trust.ru/about/leaders/

In 2018, the President - Chairman of the Management Board of the Bank and members of the Management Board of the Bank did not make any transactions to acquire the shares of the Bank, the share of participation in the authorized capital of the Bank is 0%, the share of ordinary registered shares of the Bank they own is 0%.

XIV. REPORT ON THE WORK OF THE BOARD OF THE BANK

During the period of activity of the Provisional Administration represented by the MC FKBS from March to June 2018, due to the suspended powers of the Bank’s management bodies related to the adoption of decisions on issues within their competence by federal laws and the constituent documents of the Bank, meetings of the Bank’s Management Board were not held. During the reporting year 2018, 22 meetings of the Management Board were held (both in person and in absentia), at which, among other things, issues of

approval of transactions, reports of the Internal Control Service, reports on risks, creation and abolition of the Bank’s committees, on approval of the list of social benefits for the Bank’s employees, on the strategy and procedure for implementing the retail portfolio, preliminary consideration for subsequent approval by the Supervisory Board of the Bank’s work strategy and business plan, financial position of the Bank, as well as management reporting.

The Management Board of the Bank, elected since June 2018, in order to implement key approaches to the new strategy of the Bank, terminated the powers of a number of committees, in particular: the Corporate Business Credit Committee, the Troubled Assets Committee, the Retail Business Committee, the Financial Markets Committee , Product Committee, as well as committees were created for preliminary study and consideration of issues, taking into account the transformation into a new strategy - the Bank of non-core assets. In fact, the following Committees carried out their activities in 2018:

Credit Committee of the Bank

As part of the creation of the Bank of Non-core Assets, the Committee performs functions related to decision-making in relation to assets on the balance sheet of the Bank, determines and approves strategies for working with assets, approves the action plan and project budget, and makes other decisions regarding assets. In particular, the scope of the Committee's activities includes:

· approval of strategies (measures) for assets that are not subsidiaries and dependent companies of the Bank, worth more than 3 billion rubles;
· approval of other transactions, including additional financing and restructuring, for assets worth more than 3 billion rubles;
preliminary consideration of transactions for write-off, sale, assignment of rights, disposal of assets from the Bank's balance sheet for assets worth more than 3 billion rubles in order to submit for consideration by the Asset Management Committee under the Supervisory Board transactions that are within the competence of the Supervisory Board of the Bank.

In 2018, 33 meetings of the Committee were held (both in person and in absentia), at which, among other things, issues were considered on approving and changing strategies for working with assets, approving transactions for the assignment of rights (claims), sale of property, including the approval of the procedure for conducting tenders for the sale of property, on the approval of the allocation of financing, decisions were made on working with pledged property.

Small Credit Committee Established to

make decisions within the powers similar to those of the Bank's Credit Committee in respect of assets worth no more than 3 billion rubles.

In 2018, two face-to-face meetings were held, which considered issues of approving and changing strategies for working with assets, coordinating changes in the value of collateral, coordinating the budget for technical, financial and tax investigations, approving the procedure for bidding.

Asset Management Committee

The purpose of the Committee's activities is to make decisions of a strategic and managerial nature in relation to assets in the Bank's management circuit, including:

- approval and change of strategies (measures) for subsidiaries and affiliates and strategies for working with real estate on the balance sheet of the Bank, subsidiaries and affiliates;

- on write-off, sale, assignment of rights, disposal of assets from the balance sheet of subsidiaries and affiliates: preliminary consideration of transactions in order to submit them to the Asset Management Committee under the Supervisory Board of the Bank, which are within the competence of the Supervisory Board; approval of transactions (provision of recommendations for voting to members of the collegiate bodies of subsidiaries and affiliates) that are not within the competence of the Supervisory Board;

- approval of other transactions, including additional financing and restructuring, (provision of recommendations for voting by members of the collegiate bodies of subsidiaries and affiliates) on the assets of subsidiaries and affiliates.

At the meetings of the Committee, further monitoring of asset development strategies and (or) exit from it is determined, consideration of the business plan, investment program and the level of remuneration / motivation system for top managers, making proposals regarding corporate restructuring and risk management of the Bank's subsidiaries and affiliates, and also approval of candidates for the sole executive body of these companies.

In 2018, six meetings were held as a Working Group and 22 meetings as a Committee on the task of managing the Bank's assets. At these meetings, more than ten strategies for the development of assets were approved, their operational issues were resolved and a new staff of the executive bodies of the companies was considered, which had previously been approved by the Human Resources Commission for Portfolio Companies under the Asset Management Committee.

Unified Tender Committee The activities of the Unified Tender Committee are aimed at ensuring the most efficient use of the Bank's budget (administrative, economic activity, information technology, information security, etc.), as well as to ensure the continuity of services provided by external counterparties. The unified tender committee, within its competence, makes decisions on the selection of a supplier (suppliers), contractor (s) or performer (s) of products for major transactions, recognized as such in accordance with the Regulations on the committee, planned for conclusion from 35/40
the purpose of providing the Bank's activities with the necessary goods, works and services. At the same time, the Unified Tender Committee also has the right to make decisions on transactions that are not major, but if there is a corresponding decision of the Bank's collegial body (the Bank's Management Board, the Information Systems Control Committee, etc.).

In 2018, 56 meetings of the Unified Tender Committee were held, at which, among other things, such issues as the selection of suppliers of works/services/goods for the renewal of IT services/resources (prolongation of rights to use software, maintenance of software (hereinafter referred to as Software), software improvements, renewal of subscriptions to used software, etc.), IT infrastructure support providers (support for equipment, software and hardware systems, including repair, emergency recovery work, etc.), suppliers IT equipment, providers of services/resources/infrastructure used for information security purposes, cleaning service providers at the Bank's facilities, insurance service providers, service providers for mass mailing of letters and cards to the Bank's customers, service providers for express delivery of documents, evaluation service providers of the Bank’s property, collection service providers, cash register equipment repair/maintenance service providers, car repair/maintenance service/work providers, office paper and stationery suppliers, the Bank’s document storage service provider.

Information Systems Control Committee

The main task of the committee is to organize the development, preparation of approval, control over the execution of approved documents related to the development of information systems (plans, priorities, budget, etc.), the implementation of general quality control of existing information systems and ensuring their performance. The Committee considers issues that require the implementation of changes in information systems, technical means and infrastructure, determines the feasibility and methods for implementing changes, the priority and order of allocation of resources to solve problems and projects for the development and creation of information systems. The Committee considers reports on the progress of work implemented in the Bank's information systems within the framework of projects initiated on its instructions.

In 2018, 42 meetings were held, at which, among other things, the issues of determining the level and scope of support for various information systems and services, conditions for organizing the selection and conclusion of relevant contracts with counterparties, issues of choosing types, functional composition and characteristics of information systems equipment, telephony and services that ensure the continuity of the Bank's work, for organizing tenders for their acquisition/lease, issues of updating hardware and software that ensure information security and compliance with security standards (PCI DSS, SWIFT, etc.), issues of determining ways to implement changes in IS arising in connection with the introduction of new regulatory requirements, issues of expediency and ways to ensure the implementation of changes in business requirements and processes at the request of specialized departments.

XV. MAIN PROVISIONS OF THE BANK’S POLICY IN THE FIELD OF REMUNERATION AND COMPENSATION OF EXPENSES, AS WELL AS INFORMATION ON THE AMOUNT OF ALL TYPES OF REMUNERATION, INCLUDING WAGES, PAID DURING THE REPORTING YEAR TO MEMBERS OF THE MANAGEMENT BOARD AND THE BOARD OF DIRECTORS (SUPERVISORY VETA) BANK

The Board of Directors of the Bank (Minutes No. 61 of 04.10.2016) approved the Personnel Policy in the field of remuneration of TRUST Bank (PJSC) (version 1.0) (hereinafter - Personnel policy), which determines the basic principles and directions of the Bank's activities in the field of wage management, as well as determining
The main requirements for the formation and management of the system of remuneration of employees of the Bank, including members of the Management Board of the Bank.

The total remuneration of the Bank's employees consists of fixed and non-fixed parts.

The fixed part of the salary includes:
- salary or tariff rate according to the staff list;
- guarantee and compensation payments in accordance with the current legislation;
- additional payments to the official salary/tariff rate;
- Individual bonuses to salaries/tariff rates.

The non-fixed part of wages includes:
- bonuses for production results and high achievements in work.

Incentive payments of the non-fixed part (hereinafter referred to as the premium) are provided for by the Bank in order to:
- Increasing the responsibility of employees for the final results of their activities;
- Strengthening the material interest of employees in the timely and high-quality performance of official duties and improvement of labor results.

Bonuses are calculated and paid for the achievement of key indicators efficiency in the functional areas of the Bank's activities.

In connection with the change in the priority direction of the Bank's activity (creation of the Bank of non-core assets), a decision was made to revise the system of remuneration of the Bank's employees. In 2018, the development of a new system of motivation and remuneration began (hereinafter - SMOT) for the employees of the Bank. The introduction of SMOT will increase the material interest in achieving the long-term strategic goals of working with distressed assets and fulfilling collection plans.

During the first half of 2018, the Bank did not actually have a document regulating the policy of remuneration and compensation for members of the Board of Directors of the Bank.

At the same time, the amount of remuneration and reimbursement of expenses to members of the Board of Directors of the Bank was determined in accordance with the Federal Law "On Joint Stock Companies" and the Charter of the Bank by decision of the General Meeting of Shareholders of the Bank. The 2018 Annual General Meeting of Shareholders of the Bank (Minutes No. 4 dated July 29, 2017) and the Extraordinary General Meeting of Shareholders of the Bank dated February 22, 2018 (Minutes No. 5 dated February 26, 2018) did not set the amount of remuneration to the Board of Directors of the Bank. At the same time, a number of members of the Board of Directors were, among other things, members of the Management Board of (or) employees of the Bank.

The amounts of remuneration paid in the first half of 2018 to the Management Board of the Bank were determined by employment contracts and additional agreements to employment contracts concluded with members of the Management Board of the Bank. No other agreements were concluded with members of the Management Board of the Bank in 2018.

Currently, the Bank, based on the legislation of the Russian Federation, the Corporate Governance Code recommended for application by the letter of the Bank of Russia dated 04/10/2014 No. 06-52/2463, the Charter and internal documents of the Bank, has been developed and approved by the Extraordinary General Meeting of Shareholders (Minutes No. 03 dated 29.11.2018) Regulations on remuneration and compensation to members of the Supervisory Board of the Public Joint Stock Company National Bank TRUST, which establishes the procedure for determining the amount of remuneration for members of the Supervisory Board of the Bank, as well as the list and procedure for compensating expenses during the period they perform their duties.

The Supervisory Board of the Bank (Minutes No. 02/18 dated June 19, 2018) determined the quantitative composition and formed the Human Resources and Remuneration Committee under the Supervisory Board of the Bank, the purpose of which is to facilitate the effective performance of the functions of the Supervisory Board of the Bank in the field of appointments and remuneration of members of management bodies and the Audit commissions.
**ANNUAL REPORT of the Public Joint Stock Company National Bank "TRUST" Bank "TRUST" (PJSC) for 2018**

Jar. This Committee operates on the basis of the Regulations on the Human Resources and Remuneration Committee under the Supervisory Board of TRUST Bank (PJSC) approved by the Extraordinary General Meeting of Shareholders (Minutes No. 03 dated November 29, 2018).

During the second half of 2018, the issues of payment of remuneration and compensation based on the results of the work of the President - Chairman of the Management Board and Deputy President - Chairman of the Management Board were submitted to the Supervisory Board of the Bank for consideration.

**Information on the amount and types of remuneration paid by the Bank in 2018:**

<table>
<thead>
<tr>
<th>Board of Directors (Supervisory Board):</th>
<th>Type of remuneration (salary, bonuses, commissions, benefits and (or) reimbursement of expenses, other)</th>
<th>Amount of remuneration, thousand rubles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reporting period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 months 2018</td>
<td>2 Salary Bonuses Other</td>
<td>184</td>
</tr>
<tr>
<td></td>
<td>property grants</td>
<td>0</td>
</tr>
</tbody>
</table>

The amount of remuneration is indicated for members of the Bank's Board of Directors who were not simultaneously members of the Bank's Management Board.

**Governance body:**

<table>
<thead>
<tr>
<th>Reporting period</th>
<th>Type of remuneration (salary, bonuses, commissions, benefits and (or) reimbursement of expenses, other)</th>
<th>Amount of remuneration, thousand rubles</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 months 2018</td>
<td>2 Salary</td>
<td>39 116</td>
</tr>
<tr>
<td>Prizes</td>
<td></td>
<td>5 024</td>
</tr>
</tbody>
</table>

The amount of remuneration is indicated for all persons who are members of the Management Board, including those who were simultaneously members of the Board of Directors of the Bank.

**XVI. INFORMATION ON THE BANK’S COMPLIANCE WITH THE RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE**

Corporate governance in the Bank is based on the principles of legality, transparency, professionalism, competence, trust, respect for the rights and legitimate interests of stakeholders and is aimed at improving the efficiency of the Bank. Aware of the high responsibility to shareholders, employees, partners and customers, the Bank recognizes the importance of high-quality and efficient management for successful business and achieving mutual understanding between all stakeholders and makes efforts to consistently comply with them in its daily activities.

In order to implement the principle of effective management, the Bank has created a management system: the General Meeting of Shareholders, the Supervisory Board of the Bank, the Management Board, the President - Chairman of the Management Board. The activity of the Bank's employees was also built in accordance with their jurisdiction and powers, provided for by the Bank's internal documents, as well as the current legislation.

The Bank considers effective control over activities as one of the important elements of corporate governance, which allows shareholders to be confident in the correctness of the management policy being pursued.
The Bank's system of control over activities is aimed at ensuring the confidence of shareholders and customers in the Bank and its management bodies. Competence, procedure of activities, rights and obligations of persons exercising control over the activities of the Bank are determined by the Charter and other internal documents.

The Bank considers the provision and protection of the rights and interests of stakeholders as a necessary condition for efficient operation and seeks to develop cooperation with stakeholders. Successful solution of the tasks and achievement of the goals set for the Bank is possible only if it has conditions for the prevention and settlement of corporate conflicts, as well as conflicts of interest. The Bank seeks to develop effective mechanisms to prevent and resolve such conflicts in order to ensure and protect the rights of shareholders, property interests and business reputation of the Bank.

The Bank considers maximum openness and transparency to be one of the fundamental factors for the successful management of its activities. Being aware of the importance of disclosing information about the Bank, in order to assess the current financial condition, the Bank provides interested parties with timely, complete and reliable information about its activities, including significant corporate events.

The Bank strives to follow the principles and recommendations laid down in the Corporate Governance Code, recommended for application by the letter of the Bank of Russia dated April 10, 2014 No. 06-52/2463 “On the Corporate Governance Code”. The management bodies of the Bank perform their functions in accordance with the principles recommended in the Corporate Governance Code, the main of which is the strict protection of shareholders’ rights. Shareholders have the right to participate in the management of the Bank by making decisions on the most important issues of its activities at the General Meeting of Shareholders of the Bank, as well as the right to receive information about the Bank on a regular and timely basis.

The Bank discloses information in accordance with the requirements of the current legislation, including the Federal Law "On Joint Stock Companies", the Federal Law "On the Securities Market", the Regulations on the Disclosure of Information by Issuers of Equity Securities, approved by the Bank of Russia on December 30, 2014 No. 454-P, as well as in accordance with the recommendations of the Corporate Governance Code approved by the Board of Directors of the Bank of Russia on March 21, 2014.

In order to ensure compliance with the norms and provisions of these documents and coordinate the interaction of the Bank's divisions when disclosing information, the Bank has developed, approved and uses its own internal documents.

The Bank discloses information in the form of consolidated financial statements, annual reports, quarterly reports, a list of affiliates, statements of material facts and insider information, a securities prospectus, as well as in other forms provided for by applicable law. The main channels for information disclosure are the news feed of the Interfax-CRKI news agency and the Internet page provided by the said agency at

http://www.e-disclosure.ru/portal/company.aspx?id=4197, as well as the Bank's official website at http://www.trust.ru, which publishes up-to-date information about the Bank's activities, updated on a regular basis in accordance with the requirements of the Bank’s internal documents and the legislation of the Russian Federation.

XII. INFORMATION ON THE VOLUME OF EACH OF THE TYPES OF ENERGY RESOURCES USED IN 2018

<table>
<thead>
<tr>
<th>Type of energy resource</th>
<th>Volume of consumption in physical terms</th>
<th>Unit dimensions</th>
<th>Consumption volume, thousand rubles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Atomic Energy</td>
<td>not used</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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<table>
<thead>
<tr>
<th>Energy Type</th>
<th>Quantity 1</th>
<th>Unit 1</th>
<th>Quantity 2</th>
<th>Unit 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thermal energy</td>
<td>14 003</td>
<td>Gcal</td>
<td>14 033</td>
<td></td>
</tr>
<tr>
<td>Electrical energy</td>
<td>8 310 632</td>
<td>kWh</td>
<td>44 046</td>
<td></td>
</tr>
<tr>
<td>Electromagnetic energy</td>
<td>not used</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil</td>
<td>not used</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motor gasoline</td>
<td>74 300</td>
<td>liters</td>
<td>3 133,9</td>
<td></td>
</tr>
<tr>
<td>Diesel fuel furnace</td>
<td>890</td>
<td>liters</td>
<td>35,5</td>
<td></td>
</tr>
<tr>
<td>Fuel oil natural gas (natural)</td>
<td>not used</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquid fuel (for boiler)</td>
<td>6,94</td>
<td>outside. m³</td>
<td>416</td>
<td></td>
</tr>
<tr>
<td>Coal</td>
<td>not used</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil shale Peat</td>
<td>not used</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>not used</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
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