








For the purpose of protecting interests of shareholders, customers, creditors, investors, and society at large as well as supporting stability of the Russian and international financial markets, the Bank's employees shall adhere in their work to high ethical norms and professional standards, comply with requirements of internal regulations, Bank of Russia regulations, and other legal regulations in accordance with the legislation of the Russian Federation and international anticorruption legal acts.

Regardless of their position, the Bank's employees shall be personally liable for compliance with the anticorruption principles and for actions (omission) of their subordinates who violate these principles and requirements.

**The anticorruption activity of the Bank is based on the following main principles:**

-  Personal example of management
-  Involvement of the Bank's employees
-  Liability and inevitability of punishment
-  Business openness
-  Adequacy of anticorruption procedures for the corruption risk
-  Continuous control and regular monitoring of corruption risks
-  Due circumspection

## Compliance Control

The Bank takes an active position in the development of compliance control functions and in this regard takes a number of measures under the supervision of senior management to optimize and develop the compliance system:

- It regularly validates the internal control system through audits (internal and external, including control and inspection activities of the Bank of Russia).
- It develops internal regulatory documents in all areas of compliance control, which define the goals, objectives, and processes of regulatory (compliance) risk management, and updates them on a regular basis.
- It improves the standards and principles of compliance with due regard to the international experience and with a focus on the international and industry-specific standards.
- It contributes to the creation of an effective system of identification, registration, and management of compliance risks on the basis of Russian and international requirements and standards.
- It implements automated compliance control systems.
- It holds compliance training for employees.

The Bank has a collective body under the Supervisory Board of the Bank, which is intended to prevent conflicts of interests and misconduct and to manage operational and regulatory (compliance) risks—that is **the Audit and Risk Committee of the Supervisory Board of the Bank**.



For the purpose of developing its compliance risk management culture, the Bank has implemented an automated operational risk management system based on the industrial software solution SAS eGRC

To maintain a high level of confidence in the Bank, prevent conflicts of interest, comply with business ethics standards, and prevent fraud and corruption, there is a Hotline in the Bank.

All operational, reputational, and regulatory risk incidents are subject to internal investigation, which includes mandatory analysis of the causes and circumstances of their occurrence, assessment of compliance risk, incident resolution, documentation and communication of information on incidents to the relevant officials and management bodies of the Bank.

The Bank has launched the Traffic Lights counterparty reliability check service, with the help of which corporate users of Your Bank Online can promptly see all the information. The service is based on the SPARK-Interfax system data and is provided to the Bank's customers free of charge.

The Bank holds regular training for its employees on countering money laundering and financing of terrorism as well as on the management of nonfinancial risks, including compliance and operational risks. The Bank also holds open workshops with the purpose of training and development of the Bank's employees, which are aimed at developing corporate competencies, are designed to help employees achieve better results, and meet the strategic goals of the Bank.

The Bank is a member of the Self-Regulatory Organization National Financial Association (NFA), the Association of Regional Banks of Russia, and a number of other ones; it takes an active part in the activities of committees, in discussing approaches toward risk management, and in their subsequent implementation within the Bank.

Applicable standards and principles of the Bank's compliance system:

- Standards of corporate conduct and business ethics
- Standards of anticorruption control and abuse control
- Implementation of measures to identify, assess, control, and prevent conflicts of interest
- Know Your Customer principle
- Prevention of the illegal use of insider information and market manipulation
- Processing of claims and complaints
- Investigation of prohibited practices and misconduct

In 2020–2022, MKB plans to continue its development and take further steps to optimize the process of identification, assessment, recording, monitoring, and management of nonfinancial risks, including regulatory (compliance) risk, operational, and other risks affecting the processes of sustainable development of the Bank and the society as well as measures to increase the risk control culture in the Bank and financial literacy of people.