

## INCENTIVE AND REMUNERATION SYSTEM

VTB's actual incentive and remuneration system is designed to motivate employees to perform their duties at a high level and to be results-oriented.

In 2019, work continued on improving the remuneration system. In particular, the Bank implemented a project to develop and introduce a grade system, the main purpose of which is to make the remuneration system more competitive externally and more fair internally. The grade system will enable the Group to respond to market changes faster and in a more flexible manner in the course of its regular monitoring of the labour market and to take a more balanced approach to establishing competitive wages, while taking into account the Bank's financial position.

One of the Bank's highlights in 2019 was the unification of its retail and corporate networks; in terms of personnel management issues, special attention was paid to the harmonisation of remuneration in the Bank's unified regional network.

## CORPORATE CULTURE

Achieving the ambitious goals of VTB Group's new Development Strategy is largely dependent on developing a corporate culture aimed at increasing client-centricity, improving cross-functional interaction and holding individuals more accountable for achieving results. That is why the Group's management considered it necessary to update VTB's mission, vision and values.

The top management of VTB Group played an active role in determining the priorities for the development of corporate culture. Employees were given an opportunity to express their opinions through a survey about VTB's mission that was conducted in February 2019, which gathered the opinions of more than 17 thousand people. As a result of the survey, VTB Group developed and adopted an updated mission and vision and renewed values.

During the year, a large-scale information campaign was conducted for Group employees in various regions of the Russian Federation about the new Development Strategy and updated values. Considerable attention was also paid to strengthening and developing internal communication channels in 2019. For example,

an updated intranet portal was launched, a survey was carried out on the engagement of personnel in Russia and abroad, which was conducted for the first time using a single methodology for all Group companies participating in the survey. The Group employee engagement index was 83 %, which, according to the research methodology, indicates that employees understand the strategic goals, mission, vision and values of VTB Group, are ready to undertake additional efforts to achieve these goals and have the necessary resources to do so. The results of the survey also revealed strengths and areas for improvement, an analysis of which will provide a road map for suitable initiatives.

## PERSONNEL ASSESSMENT AND STAFF RESERVE

According to the Bank's performance management procedure, employees set, at the beginning of the year, individual goals for their activities and goals for the development of their behavioural competencies for the year. Then, at the end of the year, managers evaluate how well they have achieved their goals and the degree to which their behavioural competencies have developed. The performance management procedure helps employees, in a dialogue with their supervisors, identify priority areas for implementing the VTB Group Development Strategy, criteria for evaluating results and areas for developing behavioural competencies; at the end of the year, it enables them to receive feedback and outline areas for further development. The goals are set and the results are evaluated in the automated performance management system, which makes the process transparent and produces a clear picture of the results that are expected from each employee.

In 2019, projects for evaluating management teams were implemented in which both senior and middle managers took part. The evaluation results made it possible to identify strengths and areas for development that formed the basis for the establishment of programmes for the further development of managerial competencies.

For participants of the staff reserve for positions in middle and line management in 2019, comprehensive development programmes were implemented that were adapted to the appropriate managerial level.



### VTB GROUP EMPLOYEES

**36** years old  
average age

**5.5** years  
average term  
of employment  
at VTB Group

**72%**  
women

**28%**  
men

**84%**  
of employees  
have higher  
education

In light of the merger of the Bank's retail and corporate networks, work with the network's staff reserve entered a new stage of development. A large-scale project was launched to develop a staff reserve for managers for the integrated network.

## TRAINING AND DEVELOPMENT

The priorities for the development of professional and behavioural competencies among the Bank's employees in 2019 were determined by the objectives established in the VTB Group Strategy: building a culture of leadership and performance with a balance of team and individual success and meeting the highest standards in terms of service quality for external and internal clients. Training programmes for managers were aimed at improving managerial skills, developing client-centricity and managing service quality. Work continued with international business schools and foreign professors. More than 200 managers took part in training programmes run by the *INSEAD* and *IMD* business schools.

A variety of formats were used to develop the functional skills of employees, from classical modular training programmes to functional coaching (for teams working on the flexible development of IT solutions), international internships to study best practices (corporate accelerator), the development of expert communities and short-duration development formats such as technology breakfasts, in which more than 5,000 employees and invited experts from other high-tech companies took part.

Within the framework of the special-purpose model for the development of Agile teams, the range of training courses and other training formats was considerably expanded.

The training of employees from popular specialties was carried out both in person and through digital content delivery channels, which made it possible for employees in all regions to develop behavioural competencies and to maintain and improve their professional skills. On average, more than 10 development events in various formats were carried out for each Bank's employee in 2019.

## WORK WITH YOUNG SPECIALISTS

In 2019, the second season of the *I Am a Professional* competition for Russian students took place within the framework of Russia – *Land of Opportunity platform*. VTB Bank once again acted as the main organising partner for the competition. As part of the project, winter schools were held in two

fields: finance and credit and business informatics. The schools involved presentations by speakers that included top managers from the Bank and leading instructors from the *Higher School of Economics*, as well as practical workshops, business games and business simulations. The winners of the competition were offered an opportunity to undertake an internship at the Bank.

Work with young specialists continued in the framework of the Bank's *Junior and Growth* programmes. The Junior programme was scaled up last year to include the Bank's integrated regional network. All training and development programmes for young professionals include a variety of formats: face-to-face and distance courses, as well as training sessions.

In addition, internships for young IT specialists were offered for the first time in 2019: *IT Junior* and *Java* and *JavaScript* development schools.

## RESPONSIBLE RESOURCE MANAGEMENT



One of VTB Group's main priorities is taking a responsible approach to the consumption of natural resources, with considerable attention paid to improving systems for managing the Group's own resource and power consumption.

In 2019, the Group continued to implement its *Energy Conservation and Energy-Efficiency Programme*. VTB Group companies adhere to a policy of renovating existing properties, which is aimed at, among other things, increasing the resource and energy efficiency of the facilities, complying with high environmental standards and minimising the negative impact on the environment.

As part of efforts to improve the resource and energy efficiency of VTB Group properties, resource- and energy-saving technologies are being introduced everywhere, and utility systems are being replaced or upgraded, which is having an impact on resource consumption and energy efficiency. The resource- and energy-saving technologies used by VTB Group companies have a twofold impact by reducing harmful effects on the environment and the generation of hazardous waste.



# >200

managers  
took part in training  
programmes  
run by the *INSEAD*  
and *IMD* business  
schools.