



**SUSTAINABILITY
REPORT
2020**

Hi there. Is this
The VTB Bank?

Yes

I would like to **make**
the world a better
place today

Sure. Just a moment,
connecting

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INTERACTIVE VERSION OF
THE 2020 SUSTAINABILITY REPORT



STATEMENT OF PRESIDENT- CHAIRMAN OF THE MANAGEMENT BOARD



Andrey Kostin

President and Chairman of the
Management Board, VTB Bank (PJSC)

Dear Readers,

I am happy to share VTB Group's Sustainability Report for 2020.

This past year was a serious challenge for all of us. By coincidence, it was also a milestone for VTB in its own way: the Bank celebrated its **30th anniversary, a landmark in its development as a systemic financial institution**. Over the past decades, the Group has been actively involved in tackling key issues on the national and global economic and social agendas.

An important reference point in this work is the UN Sustainable Development Goals. They provide a broad framework for our engagement with shareholders, customers, partners, employees, regulators and other stakeholders in implementing the long-term priorities of the economy, state and society.

Despite the difficulties of 2020, VTB made it through with good ease. **The Group proved good operating results**. The aggregate loan portfolio grew by 15%, and the customer funds - by 17%. Key banking income - net interest income and net fee and commission income - respectively grew by 20.7% and 12.5%, in Russia the number of VTB customers increased by 14.9 million.

Alongside strong dynamics of banking income, however, external factors had a significant impact on our financial results. First of all, it was an objective worsening of the economic situation due to volatile oil prices and exchange rates. Like the rest of the sector, we faced a sharp increase in the cost of risk, which forced us to increase by 2.4 times year-on-year expenses for creating reserves of RUB 249.8 billion.

From onset of the pandemic in Russia, taking care of the health and safety of our customers, partners and team has been our number one priority.

All necessary security measures were taken in our branches and offices, and we also organised and provisioned information to our customers regarding the financial services that were available remotely.

VTB has become one of the active participants in government measures to help clients facing financial difficulties due to the pandemic situation. As part of programmes put in place by the Government of the Russian Federation, we provided concessional loans to companies in the systemic sector and businesses in most affected industries, including being able to help them maintain employment and carry on with their operations.

At the same time, **the Bank promptly developed its own**

programmes to support retail customers, targeting the largest companies along with small and medium businesses.

In the past year, around 400 thousand our retail customers, who were faced with a decline in their income, were able to take advantage of repayment holidays for a total amount of more than RUB 300 billion. **The Group provided financial assistance to approximately one third of systemic enterprises in the Russian Federation.**

In 2020, we expanded our programmes improving housing affordability. The total volume of our mortgage portfolio increased by 18% in 2020 and reached RUB 2 trillion. More than 63 thousand mortgages were issued under the state mortgage support programme worth RUB 198 billion. The Bank launched its own mortgage programme to support families with children.

VTB's effectiveness under COVID-19 restrictions were largely made possible by a profound technological transformation, which was launched in line with the Group's Development Strategy for 2019-2022.

Due to a significant increase in the amount of online transactions the Bank was fully able provide a high-quality remote customer service. We continued to push innovative products onto the market. During the most severe part of lock-down period, for the first time in Russia, we implemented and continued to scale remote online mortgage transactions, and were the first of the largest banks to provide the possibility of remote account opening by using biometrics. The *VTB My Investments* mobile application demonstrated a five-fold growth in terms of user numbers.

With reference to the aforementioned technical transformation projects in 2020 included the launch of a new version of the retail application and the development of an integrated omni-channel platform that allowed customers to use VTB's services and products without interruption through all the convenient channels.

These innovations allowed us to create more convenient, accessible and reliable products and services for our customers, and to increase the Bank's internal efficiency significantly and to improve the accessibility and quality of banking services available for individuals and businesses.

200
thousand legal entities

employing more than 1 million people
received help from VTB under the state
programme to resume activities

2300
billion RUB

restructured loans for small and medium
businesses

>10
million people

VTB Online users

400
thousand retail customers

used the repayment holidays to the sum of
more than RUB 300 billion

THE NUMBER
OF VTB CUSTOMERS IN RUSSIA
INCREASED TO 14.9 MILLION.

Many new digital solutions in 2020 focused on small and medium enterprises. Largely as a result, VTB's customer base in this segment increased by 25%, to almost 640 thousand. We believe that the successful activities of small and medium businesses are a significant factor in the development of our communities, increasing the economic activity of citizens and promoting the wellbeing of society as a whole. Supporting these businesses is one of our main priorities.

In 2020, an important decision was made to transform VTB's sustainability policy from stand-alone projects and initiatives into a fully integrated part of the Group's business: the VTB Bank Sustainability Strategy preparation was almost completed.

Key areas of the Strategy include responsible investment, customer relations with regard to improving the ESG characteristics of their business, customer involvement in ESG projects and initiatives, plus support for socially significant projects, sponsorship and charity, as well as the development of an ESG management model.

Most of the initiatives laid out in the Strategy have been implemented by VTB for some time. These include responsible investment instruments, the financing of renewable energy projects, environmental requirements for infrastructure projects supported by VTB, environmental charity support and environmental initiatives for retail customers.

VTB was the first Russian bank to launch two responsible investment funds and a programme with an embedded charity, under which part of the remuneration paid to the management company was used for charitable purposes.

In 2020, the Bank launched a green pilot lending programme, providing customers with financing for environmental projects and initiatives in order to improve the sustainability parameters of their businesses.

VTB continued its involvement in the conservation of big cats. Since 2016, we have supported WWF Russia's project to protect and monitor the snow leopard, Amur tiger, Amur and Persian leopards, and since 2014 and the Amur Tiger Centre. Together

with the Ministry of Natural Resources and Environment of the Russian Federation in 2020 we prepared to get VTB involved in the implementation of the national project *Ecology*, including the conservation of the Persian leopard in the Caucasus - we started our participation in 2021.

Reducing our own carbon footprint remains an important focus area for us.

In particular, a significant reduction in paper consumption has been achieved due to the Bank's technological transformation, including the *Paperless Bank* programme.

We also consider financial literacy to be an important component of the availability of our financial services. VTB is one of the founding members of the Russian Financial Literacy Development Association. In 2020, we implemented 15 thematic educational projects, including a series of events for schoolchildren and students.

For several years VTB's charitable works were structured around six large-scale targeted programmes to support sports, education, healthcare and culture, and to preserve traditions and improve business environment.

In April 2020, we registered the *VTB-Country Charity* Fund to coordinate the implementation of projects in the regions. The Fund became the main operator of our corporate programme *World Without Tears*, which has been in place since 2003, as well as being a channel for providing aid to medical institutions during the COVID-19 pandemic in the past year.

Through VTB and the *VTB-Country* Charity Fund, hospitals in dozens of Russian regions that have been dealing with coronavirus infection received help worth a total of RUB 326 million.

During the lock-down, it was especially important for us to support our long-term partners in the cultural sector. One of the online events with the cooperation of VTB was an exhibition titled *Artists and Collectors - To the Russian Museum. Gifts* for the 125th anniversary of the State

Russian Museum, which received over 11.5 million online walking tour views on social networks.

As a big employer, VTB pays particular attention to the sustainability of its HR policy. The Bank ranks among one of the best employers in Russia. Our strengths include an open, employee-focused corporate culture, a high level of training programmes and attractive employment and social packages.

In 2020, we launched a large-scale *Career Routes* programme focused on the regional network and aimed at creating a comprehensive system of support for personnel growth and promotion within the Bank. Today the total number of employees within the VTB Group is approaching the 75,000 mark.

I am confident that VTB's concerted efforts in the field of sustainable development will allow us to continue to make a significant contribution to meeting national and global challenges, whilst our 30-year history, accumulated expertise and deep involvement in promoting this agenda in Russia will remain a solid foundation for effectively achieving all of our objectives.

Sincerely,



Andrey Kostin

President and Chairman of the Management Board, VTB Bank (PJSC)

VTB IS DEVELOPING ITS SUSTAINABILITY STRATEGY, WHICH AIMS TO FORMULATE PERFORMANCE TARGETS FOR RESPONSIBLE BANKING ON THE BASIS OF ESG CRITERIA (ENVIRONMENTAL - ECOLOGY, SOCIAL - SOCIAL DEVELOPMENT AND GOVERNANCE - CORPORATE MANAGEMENT).

¹ ESG in English (environmental - ecology, social - social development and governance - corporate management).

80%
of customer transactions

will have been transferred to paperless banking in 2021

15.8
billion RUB

was allocated for implementation of sponsorship and charity projects

2.9
billion RUB

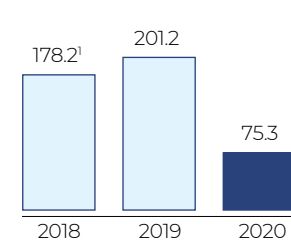
allocated for social programmes for Bank employees

KEY SUSTAINABLE DEVELOPMENT AREA INDICATORS

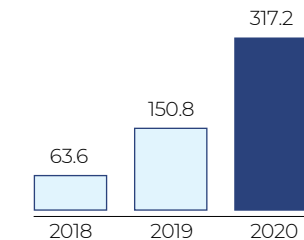


Economic performance

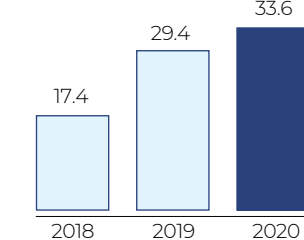
NET PROFIT, RUB billion



TOTAL VOLUME OF PURCHASES,
RUB billion

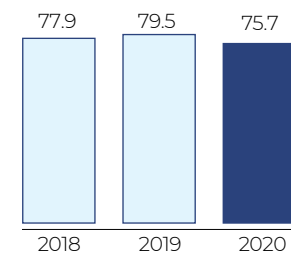


PURCHASES FROM SMALL AND MEDIUM
BUSINESSES, RUB billion

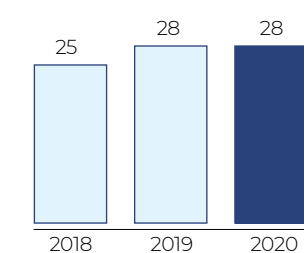


Personnel

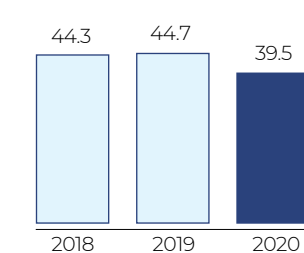
NUMBER OF EMPLOYEES²,
thousand people



TOTAL STAFF TURNOVER RATE
(OUTFLOW OF STAFF)³, %

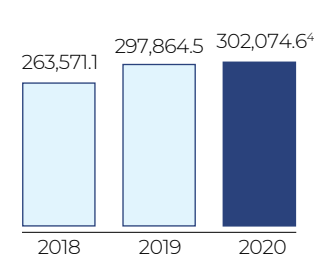


AVERAGE HOURS OF TRAINING PER
GROUP EMPLOYEE, ac. hours

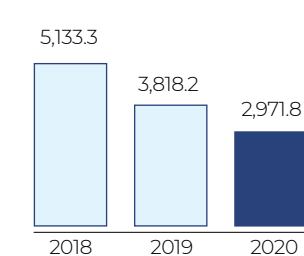


Reducing the environmental footprint

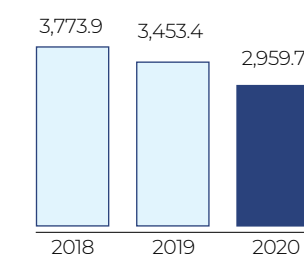
ELECTRIC ENERGY CONSUMPTION,
thousand kWh



TOTAL FUEL CONSUMPTION,
thousand litres



PAPER CONSUMPTION, tonnes



Responsible financing

CORPORATE AND INVESTMENT BUSINESS

1.9

thousand
groups of
companies

Customer base in
Russia

7.4

trillion
RUB

Loan portfolio

4.9

trillion
RUB

Customer
funds

SMALL AND MEDIUM BUSINESS

636

thousand
active
customers

Customer base in
Russia

1.6

trillion
RUB

Loan portfolio

1.8

trillion
RUB

Customer funds

RETAIL BUSINESS

14.3

million active
customers

Customer base in
Russia

3.8

trillion
RUB¹

Loan portfolio

5.2

trillion
RUB

Customer funds

¹ Before provisions for loan impairment.

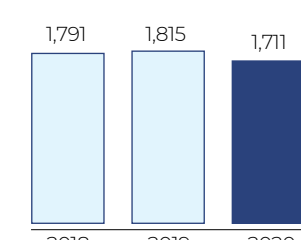
² VTB Bank (PJSC) data.

³ MIESR: underpopulated and economically underdeveloped regions

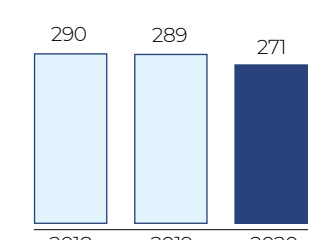


Availability of banking services

TOTAL NUMBER OF SALES OFFICES
IN THE RUSSIAN FEDERATION

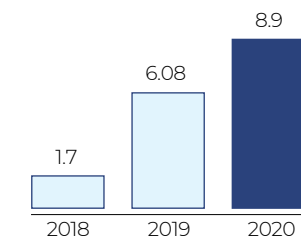


NUMBER OF SALES OFFICES
IN MIESR³

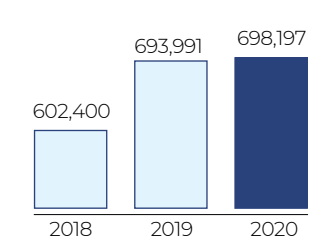


Green financing

VOLUME OF ENERGY SER-
VICE FACTORING PORTFOLIO,
RUB billion

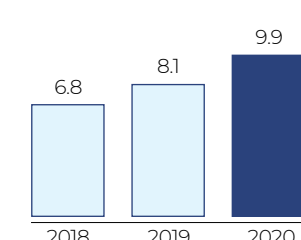


NUMBER OF RETAIL
CUSTOMERS PARTICIPATING
IN ENVIRONMENTAL INITIATIVES,
people

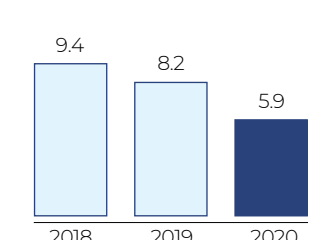


Sponsorship and charity²

SPONSORSHIP COSTS,
RUB billion



CHARITABLE DONATIONS,
RUB billion



¹ The 2018-2019 figures are presented in the amount approved at the time of publication of the IFRS statements without further adjustments or reclassifications.

² The values presented differ from those in the 2020 Annual Report due to the difference in the perimeter of the indicators. The perimeter of the Sustainability Report is specified in the *About the Report* chapter.

³ The total staff turnover (outflow of staff) is calculated as the ratio of the total of employees who left the company of their own accord, were terminated for other reasons, retired, or passed away as an employee of a company to the average headcount.

⁴ The growth of total power consumption in 2020 is connected with the necessity of the uninterrupted operation of the whole complex of process equipment in the mode when 50 to 70% of employees work remotely.



425th
place

in *The Banker* magazine's list of the world's most capitalised banks in 1994

1990-2000



Launch of the *World Without Tears* corporate charitable programme

**VNESHTORGBANK
WAS ESTABLISHED
IN 1990**

Acquisition of a general licenses for all types of banking operations in Russian roubles and foreign currencies

The issue of the first 23 thousand plastic cards

VTB's major shareholder is the Government of the Russian Federation

Commercial business of Vnesheconombank of the USSR is transferred to Vneshtorgbank

Launch of a multi-year charitable and sponsorship support programme for iconic cultural institutions:

- The State Tretyakov Gallery
- The State Russian Museum
- The State Academic Bolshoi Theatre of Russia
- The State Academic Mariinsky Theatre
- The Pyotr Fomenko Workshop Moscow Theatre

**VTB BECOMES A UNIVERSAL
COMMERCIAL BANK IN 2002**

2000-2005



The first international forum *RUSSIA CALLING!* was organised

The first IPO among Russian banks and the largest international bank IPO at the time, raising USD 8 billion

Over 120 thousand Russian citizens became shareholders of the Bank

2005-2010

VTB TURNED

20 YEARS

2010-2015

40
awards

received VTB Capital in international rankings in 2016

30
billion RUB

The volume of concessional lending to small and medium businesses in 2016

>1.3
million people

attended exhibitions sponsored by VTB in 2016

13.6
billion RUB

spent on sponsorship and charity projects in 2017

2.9
billion RUB

allocated for social programmes for Bank employees in 2020

14.9
million

VTB customers in Russia in 2020

**VTB RECEIVED
THE BANK OF THE YEAR 2020
AWARD FROM THE BRITISH
MAGAZINE *THE BANKER*
FOR THE BEST RUSSIAN BANK**

VTB established its Corporate University

VTB became a member of the Board of Trustees of the Graduate School of Management at St. Petersburg State University

VTB is an effective promoter of the government's policy of supporting the Russian economy during the global financial crisis

The first Social Report was issued

Shareholders' Consultative Council was established

VTB adopted a new corporate lending policy based on an assessment of lenders environmental and social performance

The first issue of our corporate magazine for employees, *Team Spirit*, was released

**IN 2005 RUSSIA'S MOST
SUCCESSFUL PROJECT
OF A SPECIALISED
RETAIL BANK, VTB24,
WAS LAUNCHED**

The Group 2010-2013 Development Strategy was approved, which focused on efficiency rather than aggressive growth

VTB finances large socially significant and environmental projects

The VTB Group Property Management Concept was approved and the Bank's Energy Saving and Energy Efficiency Improvement Programmes were developed

VTB adopted a Corporate Social Responsibility Policy

Unique infrastructure projects of VTB for the construction of the Central Section of the Western High-Speed Diameter (WHSD) and the M-11 Moscow - St. Petersburg highway are being put into force

VTB was awarded the status of the Russian Executive Agency, the Arctic Council Project Support Instrument

**VTB REPRESENTS RUSSIA
AT THE ANNUAL G20
SUMMIT IN TORONTO IN
2010**

Three global business lines were created: Corporate and Investment Business, Medium and Small Business and Retail Business

VTB adopted a strategy for 2017-2019, marking the digital transformation of VTB's business

The integration of Bank of Moscow was completed

Jointly with FSUE Russian Post, Post Bank was established

On 1 January 2018, due to the result of the merger of VTB Bank and VTB24, a single universal bank began servicing customers

VTB started developing a sustainability strategy

The first mutual funds on the Russian market were launched that took into account the factors of responsible investment in asset management

RUB 262.2 million were allocated to fight the Covid-19 pandemic

Over RUB 50 billion was allocated to finance environmental projects, including renewable energy in 2020

10 million users installed a new version of the *VTB Online* retail application in 2020

WE
connect

THOSE CAUGHT UP
in a difficult situation

TO
financial
SUPPORT

During the COVID-19 pandemic:

- **300 billion roubles** – repayment holidays for more than 400,000 VTB retail customers;
- **1.3 trillion roubles** – restructured loans to large corporate customers;
- VTB has restructured loans to medium and small-sized businesses worth about **230 billion roubles**.



VTB'S RESPONSE TO THE COVID-19 PANDEMIC

IN 2020, THE WORLD FACED A REAL THREAT ON SUCH A LARGE SCALE. THE COVID-19 PANDEMIC PERVADED ALL ASPECTS OF LIFE AND AFFECTED NUMEROUS COUNTRIES AND COMPANIES. DURING THIS CHALLENGING PERIOD, THE BANKING SECTOR HAD A PARTICULARLY IMPORTANT, PIVOTAL ROLE TO PLAY IN SUPPORTING THE ECONOMY AND CITIZENS.

VTB's response to the COVID-19 pandemic



1.3
trillion RUB

volume of restructured deals with large corporate customers

230
billion RUB

of support provided to small and medium business customers¹

400
thousand retail customers

received repayment holidays worth RUB 300 billion

Since the onset of the pandemic, VTB was able to radically restructure its operations in a very short time, and was able to reconfigure all key processes without losing efficiency, and also to achieve a new level of customer service.

Within the first month of the pandemic, more than 20 thousand employees switched to working remotely for safety reasons. We also solved the problems related to disinfecting premises, searching for new offices to ensure safe working conditions for employees,

and switching from paperwork to an electronic format of data exchange, including work with government agencies.

The coordinated work of all the Bank's departments made it possible to support hundreds of thousands of people across the country.

Supporting small and medium businesses

As part of its customer support, VTB offered the following solutions:

Interest-free loans for paying salaries to employees;

Special preferential applications for refinancing current debt;

Restructuring of existing loans both on the principal, interest and fees;

Information support for entrepreneurs through a special section on the Bank's website vtb.ru/stayhome, which contained answers to typical questions on conducting business under the pandemic conditions, information on products and remote services, and advantageous offers from our partners;

Expansion of online services: online reservation of current accounts, fully remote receipt of documents from customers to open accounts and update information on individual entrepreneurs and legal entities, online business registration, the provision of online services for the automation of procurement and sales, connection of mobile application *Cifra* for accounting and tax document flow.

One of the most large-scale programmes of assistance to small businesses was the programme of state support for small and micro-enterprises from the industries most affected by the COVID-19 pandemic.

VTB received over 9.8 thousand applications from entrepreneurs under the state programme of interest-free loans to pay salaries to their employees. The first interest-free loans were granted to the Bank's customers for up to six months, and later the term of financing were increased to 12 months with a partial subsidising of the interest rate for the first six month period. Under this programme, the Bank approved loans worth a total of RUB 26 billion to medium and small business customers.

In addition to participating in government support programmes, VTB launched its own SME lending programme in 2020, providing loans to the amount of more than RUB 93 billion.

There was high demand for loan restructuring programmes, which attracted more than 7 thousand applications from small and medium businesses. The Bank worked in this area both under its own deferment and refinancing programmes for up to 10 years, taking into account an individual approach to the lender, and under government programmes for reducing interest rates by two thirds and providing repayment holidays for six months¹. The total volume of approved restructuring for small and medium businesses amounted to RUB 230 billion.

WITH THE SPREAD OF THE CORONAVIRUS SMALL AND MEDIUM BUSINESSES WERE PARTICULARLY IN NEED OF SUPPORT.

¹ Under the restructuring programme from April through to December 2020.

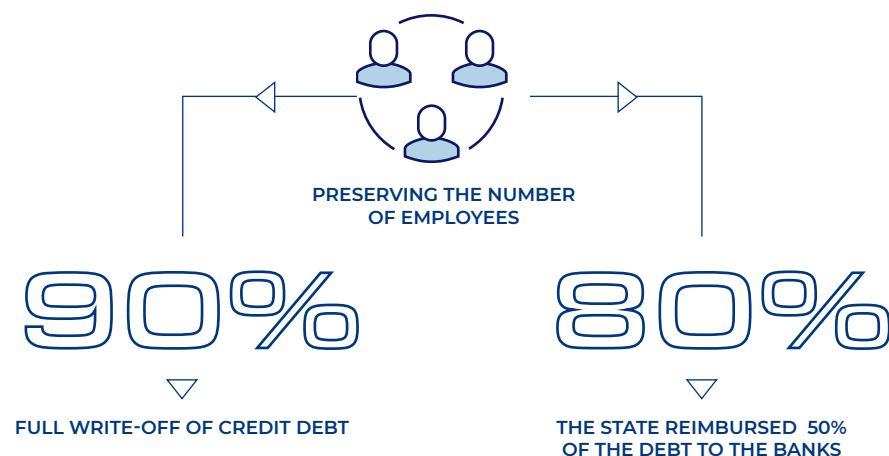
¹ In accordance to Federal Law No. 106-FZ dated 3 April 2020 "On Amendments to the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" and certain legislative acts of the Russian Federation in terms of the specifics of changing the terms of a loan agreement, lending agreement".

Supporting large employers

An important area of VTB's work in this time was to support sectors of the Russian economy and large enterprises that were most affected by the pandemic.

Since the beginning of April 2020, deals with large corporate customers worth over RUB 1.3 trillion have been restructured. VTB restructured loans to 75 groups of enterprises, or 30% of all systemic enterprises with loans from VTB Group.

VTB also supported large enterprises within the government loan programme to resume business. While working on this programme, VTB has provided support to customers, designed to save more than 1 million jobs in total. In 2020, 21 thousand loan agreements were signed at an annual interest rate of 2%, amounting to over RUB 92 billion. If the number of employees remained over 90%, the loan debt under the programme was fully written off. If the number of employees remained over 80%, the government reimbursed the banks 50% of the borrower's debt.



75
groups of companies

received concessional financing from VTB



Financial solutions for Aeroflot PJSC during the COVID-19 pandemic

VTB CAPITAL ACTED AS THE SOLE GLOBAL COORDINATOR AND BOOK-RUNNER IN THE RUB 80 BILLION EQUITY INCREASE FOR AEROFLOT.

Due to closure of borders relating to the spread of COVID-19, the air transport markets around the world were significantly affected. Russian and foreign airlines were faced with the need to consider financial solutions that would allow them to support their business, preserve jobs and infrastructure availability in order to fully resume flights after the restrictions were lifted.

The placement of the additional issue was a balanced financial solution that allowed *Aeroflot* to raise funds in order to support its operations whilst maintaining an optimal debt load. *Aeroflot* plans to use the funds raised in the course of the offering for general corporate purposes and for debt load reduction.

This deal was unprecedented for the Russian market in terms of volume (in fact, the company more than doubled the number of shares outstanding) and structure.

There was a balance of interest in all parties within the deal:

The company that attracted the necessary amount of funds;

The main shareholder represented by the state that did not have to significantly increase its stake within company;

Investors who had an opportunity to participate in the deal through pre-emption right and public offering with a transparent and market-based pricing mechanism.

Support for retail customers

From the very introduction of COVID-19 restrictions, VTB made supporting citizens in a difficult financial situation a priority.

Around 400 thousand VTB customers received repayment holidays in the sum of around RUB 300 billion. State programmes and the Bank also implemented these measures.

VTB was the first bank to begin accepting government mortgage programme applications at reduced rates. More than 63 thousand families have already taken advantage of these rates, for a total of over RUB 198 billion. The programme became an effective measure to support the construction industry and improve living conditions of citizens.

63
thousand families

benefited from the government mortgage programme with a preferential interest rate in the amount of over RUB 198 billion in total

Ensuring the smooth operation of the banking sector

During the COVID-19 pandemic, VTB's most important undertaking was to maintain normal timing and the volume of banking turnover in order to avoid disruptions in business and social support for citizens across the country. VTB managed to ensure the full operation of all of the most popular customer services and functions, including domestic and international money transfers.

Availability of online services

In order to minimise the number of customer visits to its offices, VTB made a breakthrough in terms of using the latest technology to develop its products. In April 2020, the number of services available to customers through remote channels increased significantly. Thus, remote account opening for retail customers using biometrics, applications for repayment holidays payment deferment via chat-bot and online mortgage transactions became available.

High standards for continuity of service

During the self-isolation rule introduced in April 2020, VTB made every effort to ensure uninterrupted operations. Customers continued to make their usual transactions, while the full range of usual services remained available via remote channels. VTB did not stop producing, delivering or issuing cards at the Bank's operating branches, while salaries and other payments continued to be credited to customers' accounts and the speed and quality of transactions in the accounts of medium and small business customers were maintained at the same level.

Under the imposed restrictions, VTB was able to provide services for all their priority customer group of foreign trade participants using remote banking channels within the established deadlines, from taking on new contracts to quickly processing currency controls for cross-border transfers and verifying transaction documentation. These measures proved particularly important for contracts for the purchase of medical equipment and personal protective equipment.

In addition, many companies working with foreign partners under the current situation of international isolation, partial closure of borders and the emergence of new barriers regarding businesses needed help in adapting to foreign trade contracts. Our currency control experts have successfully dealt with this task.

The Bank also successfully detected and prevented fraudulent schemes, despite the noticeable activation of criminals who began using new types of social engineering attack techniques.

850
branches

across the country continued their work

Maintaining territorial accessibility

The bank continued to support the operation of 15.5 thousand ATMs and 850 of its branches nationwide. All sales offices were divided into several types based on the criticality of maintaining uninterrupted operations in prevailing epidemiological conditions. The score was based on a geographical approach: if there was only one sales offices in a settlement, it was critically important to ensure its operation; if there were several, the offices with the highest volume of transactions were selected.

Thanks to timely and well-coordinated actions, the Bank managed to maintain uninterrupted operations in all regions of the Russian Federation. In order to prevent the spread of Coronavirus infection, employees in each office were provided with all the necessary personal protective equipment (masks, gloves and antiseptic). All VTB offices implemented the "1.5 m social distancing" marking. VTB customers were advised not to visit the offices but to make remote use of banking services instead.

Help in the fight against the COVID-19 pandemic

In addition to helping citizens and businesses through its operations, VTB allocated over RUB 262 million of charitable support to medical institutions and NGOs combating COVID-19.

Areas of assistance in the fight against COVID-19



Building and re-equipping hospitals to meet the needs of COVID-19 patients



Purchasing personal protective equipment for medical and social workers



Organising the transportation of patients and doctors



Purchasing medicines



Providing communication facilities for educational and scientific purposes

The issue of providing urgent medical assistance became particularly acute in the spring of 2020, when the number of infected people in the country began to rise. In response to this situation, VTB provided

a total of RUB 262.2 million for 40 charitable projects implemented by healthcare institutions and non-profit organisations in 21 regions of the Russian Federation.

262.2
million RUB

donated by VTB to implement charitable projects to fight COVID-19

IMPLEMENTATION OF THESE PROJECTS ENSURED SUPPORT FOR COVID-19 PATIENTS, MEDICAL WORKERS AND VULNERABLE MEMBERS OF THE POPULATION.

WE
connect

Since 2007, a total amount of 18 billion USD of Russian and foreign investments have been raised for the infrastructure of the Russian Federation, including 6.5 billion USD in loans and funds from the VTB Group.

steady
PRESENT
TO
a sustainable
FUTURE



VTB GROUP AT A GLANCE

VTB GROUP IS ONE OF THE LARGEST FINANCIAL GROUPS IN THE RUSSIAN FEDERATION AND ONE OF THE LEADERS IN THE GLOBAL FINANCIAL SERVICES MARKET. THE GROUP INCLUDES OVER 20 RUSSIAN AND FOREIGN COMMERCIAL BANKS AND FINANCIAL COMPANIES OPERATING IN ALL KEY SEGMENTS OF THE FINANCIAL MARKET.

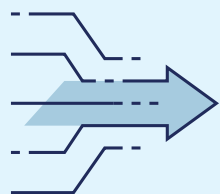
VTB Group is built on the principle of a strategic holding company



A SINGLE BRAND



**CENTRALISED FINANCIAL
MANAGEMENT AND RISK
MANAGEMENT**



**A SINGLE DEVELOPMENT
STRATEGY FOR THE GROUP'S
COMPANIES**



**UNIFIED CONTROL
SYSTEMS**

Our values



WE VALUE OUR CUSTOMERS

We put our customer needs first. We trust our customers and strive to earn their trust. We listen to our customers and act upon their feedback.



WE WORK AS A TEAM

We respect and trust each other. We support each other and help our colleagues grow. We achieve common goals.



WE ARE RESPONSIBLE FOR OUR RESULTS

We are result-oriented, not process-oriented. Each of us is responsible for our contribution to the common goals. We openly discuss our successes and failures.



WE ARE PROACTIVE

We are not indifferent to what we are doing. We contribute proactively when dealing with shared tasks. We go beyond our formal duties.



WE CONTINUOUSLY IMPROVE OUR PERFORMANCE

We are open to change. We start change with ourselves. We are not afraid to experiment.

BUSINESS MODEL AND MARKET PRESENCE

The Group operates in all key segments of the financial market. Corporate and Investment Business Medium and Small Business, and Retail Business represent the Group's global business lines, specialising in servicing different customer segments.

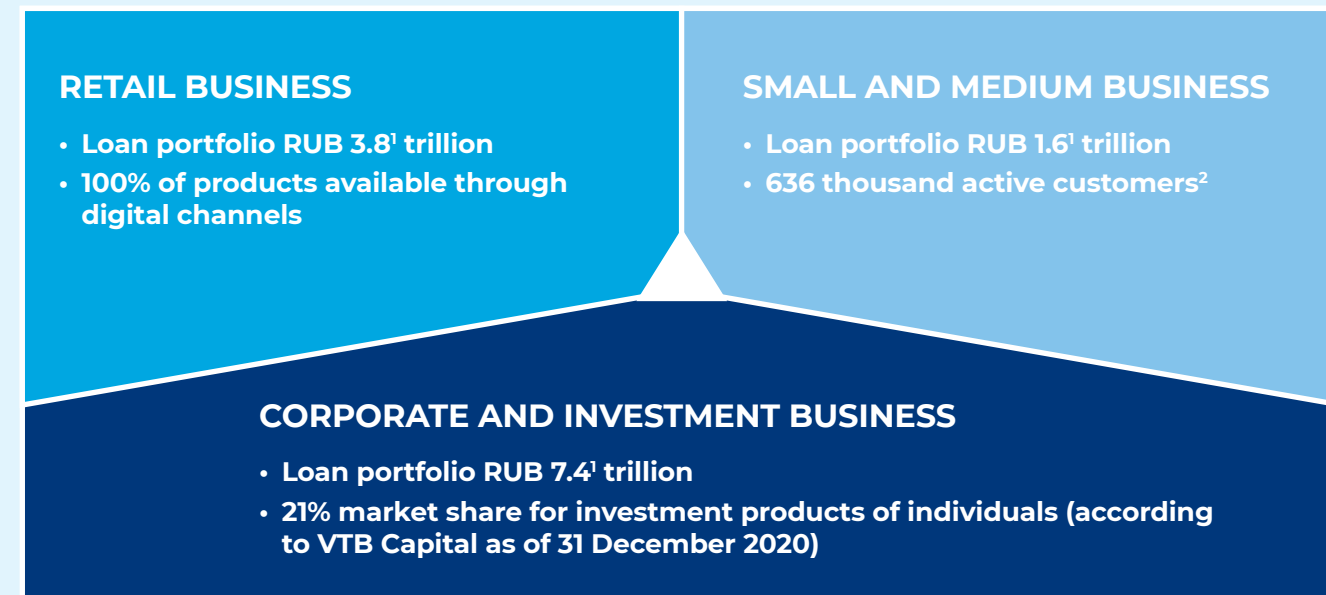
The Group has a network that is unique for Russian banks. The Group operates outside Russia through subsidiaries and associated banks that are located in a number of countries in the CIS, Europe, and Asia, which supports the development of international cooperation and the promotion

of Russian companies in global markets. At the end of 2020, the Group's banking and investment banking business was active in 18 countries around the world.

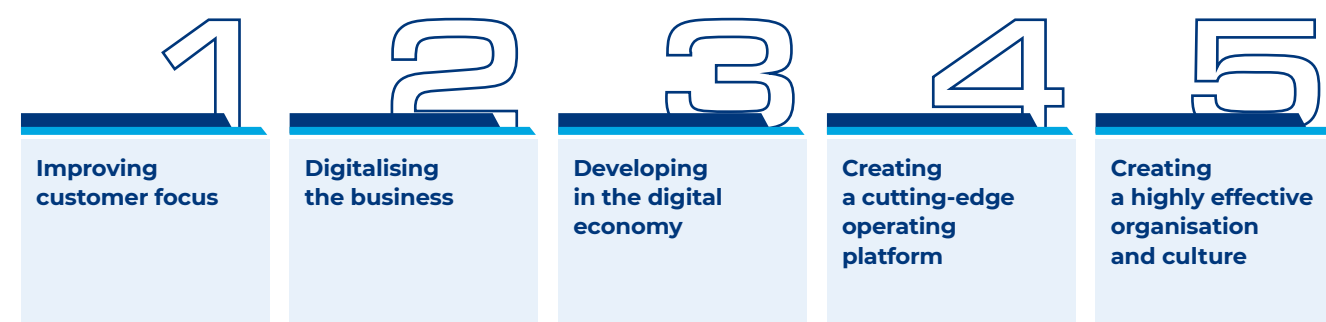
The Group operates outside Russia through subsidiary banks located in Germany, the UK, Georgia, the Republics of Armenia, Belarus, Kazakhstan, Azerbaijan and Angola, and through representative offices located in Italy and China, as well as through VTB branches in China and India, VTB Bank (Europe) in Austria and VTB Capital branch in Singapore. The Group investment banking division also performs securities trading and financial advisory in Hong Kong, as well as investment banking operations

in Bulgaria and commodity finance services in Switzerland. In addition, the Group has an associate bank in Cyprus. In Vietnam, VTB established the Vietnam-Russia Joint Venture Bank in partnership with a local lending institution.

The Group's integrated diversified business



Strategic development priorities 2019-2022



¹ Before provisions for loan impairment.

² Active SME customers are existing customers that have either non-zero net operating income over 12 months before the reporting date or have active salary project cards as of the reporting date.

Stakeholder impact results in 2020

63
>63
thousand families

received RUB 198 billion in preferential mortgages under the government support programme since its launch

No.1

on energy service factoring

50
>50
billion RUB

lending for environmental projects, including renewable energy

749
749
offices

(55% of the network) are equipped with access and service infrastructure for disabled people

76
76
socially significant funds

in seven federal districts of the Russian Federation under the management of VTB Capital Asset Management JSC

354
>354
thousand families

improved their housing conditions with the support of VTB

15.8
15.8
billion RUB

VTB was the organizer of the first Russian Green Eurobonds (issued by Russian Railways OJSC)

33.6
33.6
billion RUB

volume of purchases from small and medium businesses

EVENTS AND RESULTS OF THE YEAR

VTB is focused on long-term and sustainable development and is building its business in such a way as to provide maximum contribution to social and economic development of the countries and regions where it operates, as well as to meet the expectations of its clients.

Financial results for the year

The new challenges of 2020 required significant development of VTB's business model, an increased focus on customers and their needs, as well as the acceleration of internal processes and optimisation of the Group's operating model.

Throughout the year, the Group implemented a number of reference technological transformation projects. Specifically, a target technology layer was introduced for a single omni-channel platform that allows customers to continuously use key services and products through any convenient channel (in an application, at offices, in a personal account, in a call centre, etc.), changing the way they contact the Bank easily and without restrictions.

As part of our technology transformation strategy, we continued to integrate robotised solutions and machine learning technologies into our digital services, such as the investment recommendation service in the *VTB My Investments* app. VTB also transferred the creation of all pre-approved loans and the receipt of digital credit cards in *VTB Online* to a new retail loan pipeline. The volume of applications to be processed quadrupled, while the period for calculating credit limits was cut threefold.

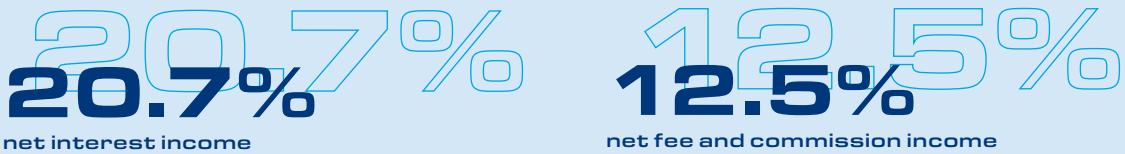
The Group's net income for 2020 was RUB 75.3 billion, down 62.6% year-on-year due to higher provisioning costs and negative revaluation of non-financial assets amid the COVID-19 pandemic;

Net interest income for 2020 increased by 20.7% year-over-year as a result of higher interest-earning assets and higher net interest margin;

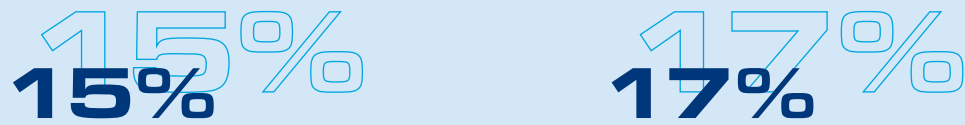
Net fee and commission income for 2020 increased by 12.5% year-over-year to RUB 136.8 billion compared to 2019. The dynamics of net fee and commission income were supported mainly by the active growth of commissions on securities and capital markets transactions, including against the background of VTB Capital Investments' increased scale of business, as well as commissions for distribution of insurance products;

Personnel and administrative expenses amounted to RUB 269.9 billion at year-end 2020, up 6.2%, including investments in IT infrastructure as part of the digitalisation processes of the business. The Group continues to implement cost reduction and operational efficiency improvement initiatives in line with its strategy and long-term development priorities.

Key banking revenues showed steady growth



The aggregate loan portfolio grew by



Customer funds increased by

As of 31 December 2020, **the Group's joint liabilities amounted to RUB 16.4 trillion, up 18.4%** compared to 31 December 2019.

The portfolio of loans to legal entities increased by 14.9% year-to-date, mainly due to the expansion of corporate lending amid the ongoing economic recovery.

The portfolio of loans to individuals increased by 14.6% year-to-date, mainly due to growth in mortgage lending, partially offset by a decline in auto loans.

The Group's **mortgage portfolio increased to RUB 122.4 billion at the end of the fourth quarter**, mainly due to VTB's active participation in the government mortgage support programme launched in April 2020.

Since the launch of the programme, VTB has issued **over 63 thousand mortgages at a discounted rate**, amounting to RUB 198 billion.

The growth of customer funds of legal entities amounted to 19.6%. The growth of customer funds of individuals amounted to 13.8%, including the growth of balances on brokerage accounts and escrow accounts used in the purchase of housing from developers.

As of year-end 2020, the Group showed **a significant increase in the share of current accounts in total customer funds**, from 25.2% as of 31 December 2019 to 40.1% as of 31 December 2020.

MISSION

WE HELP PEOPLE MAKE THEIR PLANS A REALITY BY CREATING THE BEST FINANCIAL SOLUTIONS.

WE ARE A TEAM OF PROFESSIONALS, WORKING FOR THE BENEFIT OF OUR CLIENTS AND THE COUNTRY AS A WHOLE.

VISION

UNIVERSAL FINANCIAL GROUP THAT IS DEVELOPING BOTH DYNAMICALLY AND SUSTAINABLY, ONE THAT IS FOCUSED ON BEING THE FIRST-CHOICE FINANCIAL PARTNER FOR ITS CUSTOMERS AND WHICH PROVIDES THE MOST CONVENIENT AND CUTTING-EDGE SOLUTIONS TO THEIR NEEDS.

- ✓ Universal financial group
- ✓ Financial partner of first choice
- ✓ More than a bank
- ✓ An agile bank
- ✓ Convenient, cutting-edge solutions

STRATEGY

Strategic priorities for implementing the vision

1

IMPROVING CUSTOMER FOCUS

2

DIGITALISING THE BUSINESS

3

DEVELOPING IN THE DIGITAL ECONOMY

4

CREATING A CUTTING-EDGE OPERATING PLATFORM

5

CREATING A HIGH-PERFORMANCE OPERATING CULTURE

Directions for a new Sustainability Strategy

Financing social and environmental projects

Development of ESG funds

Providing financial products that promote green lifestyles

Engaging customers in an ESG-oriented product line

Customer stimulation to improve their sustainability performance

Deductions from credit and debit cards for environmental and social projects

Accessibility of digital services for entrepreneurs

Support in the development of superservices for public services

Accessibility and security of digital technologies for the Bank's customers

Reducing our own ecological footprint

Improving the structure and reducing energy consumption, switching to paperless document flow

Contributing to the UN Sustainable Development Goals

VTB's strategy up to 2022 and the development of the Group's responsible banking practices are integrated into the context of achieving the UN Sustainable Development Goals (SDGs).

VTB's mission, values and vision are aligned with the implementation of all 17 UN Sustainable Development Goals. In 2020, as part of preparations for the development of the VTB Group's Sustainable Development Strategy, a comprehensive analysis of various aspects of VTB's activities and their contribution to the UN SDGs was conducted. As part of this analysis, it was decided to reduce the number of priority goals from 8 to 6 in order to improve the tracking of results for the achievement of these goals and the development of target indicators for the VTB Sustainability Strategy.



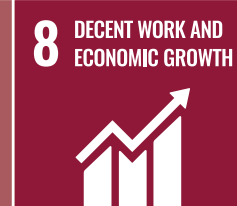
Goal 4:
**QUALITY OF
EDUCATION**

Objective:
4.4



Goal 8:
**DECENT WORK AND
ECONOMIC GROWTH**

Objectives:
8.2 8.3 8.4
8.5 8.10



Goal 9:
**INDUSTRY, INNOVATION,
AND INFRASTRUCTURE**

Objectives:
9.1 9.3 9.4



Goal 11:
**SUSTAINABLE CITIES AND
COMMUNITIES**

Objectives:
11.1 11.4



Goal 12:
**RATIONAL CONSUMPTION
AND PRODUCTION
PATTERNS**

Objectives:
12.5 12.6 12.7



Goal 15:
**TERRESTRIAL
ECOSYSTEMS**

Objectives:
15.5



THE GROUP CONTRIBUTES TO THE ACHIEVEMENT OF THE SIX PRIORITY GOALS IN THE COURSE OF ITS CORE ACTIVITIES, INCLUDING BY SUPPORTING AND PARTICIPATING IN VARIOUS PROJECTS AND INITIATIVES AIMED AT IMPROVING THE QUALITY OF LIFE IN THE REGIONS WHERE IT OPERATES, PROMOTING HEALTHCARE, SCIENCE, EDUCATION AND CULTURE, AND PROTECTING THE ENVIRONMENT.



Goal 4: QUALITY OF EDUCATION

Objective 4.4

Substantially increase the number of youth and adults with marketable skills for employment, decent jobs, and entrepreneurship

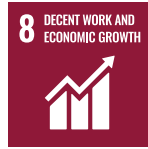
- Partnering with the Graduate School of Management at St. Petersburg State University (GSOM SPbSU);
- VTB's system of internships and grants for gifted students;
- Financial literacy and skills development programmes.

2000
higher educational
establishments

in the regions of VTB's operation receive comprehensive support

654
million RUB

the scope of the *An Educated Country* global target programme



Goal 8: DECENT WORK AND ECONOMIC GROWTH

Objective 8.2

Achieve higher economic productivity through diversification, technical modernisation and innovative activities

Financing socially important industries:

- Housing construction;
- Transport infrastructure;
- Healthcare;
- Agriculture.

Modernisation and innovation in the banking sector:

- Implementation of the target technology layer of a single omni-channel platform for customers;
- Implementation of robotised solutions and machine learning technologies in digital services;
- Creation of a retail loan pipeline.

Objective 8.3

Facilitate development-oriented policies that promote productive activities, decent jobs, entrepreneurship, creativity, and innovative activities, and encourage formal recognition and development of micro, small, and medium enterprises, including by providing them access to financial services

- Active participation in the implementation of government programmes to support small and medium businesses;
- Special conditions for financing small and medium businesses;
- Development of special financial services for small and medium businesses in order to make it easier for them to operate;
- Restructuring of deals for large employers.

Objective 8.4

Ensure that economic growth is not accompanied by environmental degradation

- Responsible investing;
- Financing green industries;
- Funding for energy efficiency projects;
- Making environmental claims in project financing;
- Environmental initiatives for retail customers.

Objective 8.5

Ensure full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value

- Programmes for gender equality and inclusion in the workplace;
- Working with students and young professionals;
- Ensuring decent working conditions and social benefits for employees in all regions of operation.

Objective 8.10

Strengthen the ability of national financial institutions to promote and expand access to banking, insurance and financial services for all

- Territorial accessibility of financial services and digitalisation of banking processes;
- Making financial services accessible to people with health limitations;
- Financial literacy programmes for the population;
- Specialised products and services for socially vulnerable categories of population.



Goal 9: INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Objective 9.1

Develop qualitative, reliable, sustainable and resilient infrastructure to support economic development and people's well-being, with a focus on affordable and equitable access for all

- Financing socially important infrastructure development projects (transport, energy supply, information and communication technologies) in the regions of operation;
- Developing and implementing support for innovation in the financial sector, digitalisation of business;
- Including VTB Group in the list of the founders of Data Economy ANO.

Objective 9.4

Upgrade infrastructure and re-equip industrial establishments, making them sustainable through increased resource efficiency and the increased use of clean and environmentally friendly technologies

- Financing projects that increase the energy efficiency of production;
- Financing the construction of renewable energy sources;
- Supervising the implementation of environmental projects in the Arctic zone of the Russian Federation;
- Making environmental claims when financing major infrastructure projects.

Objective 9.3

Increase access of small industrial and other enterprises to financial services, including low-cost loans, and strengthen their integration into value chains and markets

- Specialised products and services for small and medium businesses;
- Facilitate a state support programme for small and medium businesses.



Goal 11: SUSTAINABLE CITIES AND COMMUNITIES

Objective 11.1

Ensure universal access to adequate, safe and affordable housing and basic services

- Financing projects aimed at providing cities of operation with new opportunities, access to various services, and sufficient power supply, housing, public transport, sports and social infrastructure (cooperation with regional and municipal authorities);
- Developing the regional network (creating jobs, investing in regional programmes).

Objective 11.4

Enhance efforts to protect and preserve the world's cultural and natural heritage

3,368
million RUB

large-scale target programme
Patriotism and a Country of Traditions



Goal 12: RATIONAL CONSUMPTION AND PRODUCTION PATTERNS

Objective 12.5

Significantly reduce the volume of waste through prevention, reduction, recycling and reuse measures

- Implementing a paperless document flow system, drastically reduce consumption of paper media;
- Optimising waste management.

Objective 12.6

Apply sustainable production practices and report information about far-sighted use of resources

- Reducing our own environmental footprint: reducing resource consumption, introducing energy-saving technologies;
- Reporting according to the GRI standard and independent certification of a number of environmental indicators.

Objective 12.7

Promote sustainable public procurement practices in line with national strategies and priorities

- Taking a responsible approach to procurement;
- Anti-corruption programmes and compliance system.



Goal 15: TERRESTRIAL ECOSYSTEMS

Objective 15.5

Restrain the degradation of natural habitats, halt biodiversity loss, ensure conservation and prevent extinction of endangered species

- Participating in the Ecology National Project;
- Functioning as the Russian Executive Agency for the Arctic Council Project Support Instrument for Arctic nature conservation;
- Financial support for the World Wildlife Fund (WWF) programme for the conservation of rare species of big cats and the Amur Tiger Centre;
- Green financing;
- Environmental initiatives for VTB's retail customers.

WE connect SHAREHOLDERS TO ESG-aspect MANAGEMENT

VTB constantly improves its stakeholders' involvement, including minority shareholders, in the management of the Bank. A new ESG strategy is being developed with their participation, which will supplement VTB's business strategy in mid-2021.



SUSTAINABILITY MANAGEMENT

VTB GROUP HAS BEEN CONSISTENTLY INTEGRATING THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT INTO ITS STRATEGY AND OPERATIONS, STRIVING TO TAKE INTO ACCOUNT THE INTERESTS OF ALL STAKEHOLDERS. AT THE SAME TIME, THE GROUP CONSIDERS IT AN IMPORTANT TASK TO BUILD AN INTEGRATED AND EFFECTIVE MODEL FOR MANAGING ITS IMPACT ON THE REGIONS OF OPERATION.



"In addition to its financial efficiency goals, the VTB Group aims to ensure that sustainability principles are applied broadly and evenly across all areas of its business. We have already made significant progress in implementing individual sustainability initiatives and are now moving towards a phase of integrated management of all aspects of sustainability and systematic monitoring of the results".

Vladimir Levykin

Head of Strategy and Corporate Development, Senior Vice President, VTB Bank

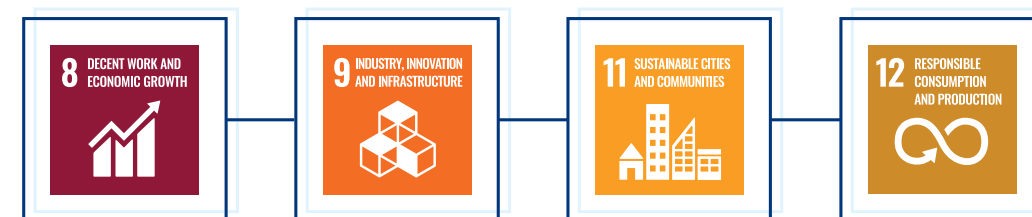
Approach to the Sustainability Management

Functional divisions and governing bodies at both the Group and Bank levels are involved in the process of managing the sustainability aspects of VTB's activities.

Key aspects of sustainability are handled by the Bank's senior management - the Supervisory Council and its committees. In terms of operational management of these aspects, the committees under the Management Board, key specialised departments and services of the Bank are involved in the process.

Management of sustainability aspects in the Group is regulated by the Policy on Corporate Social Responsibility, which defines the principles and areas of activity in the field of sustainable

development. The policy applies to all divisions of VTB Bank and covers issues related to managing the bank's corporate behaviour and the bank's influence on the corporate, market, social, and natural environment.



VTB's strategic vision for sustainable development

In addition to continuing to integrate sustainability principles into the Group's overall business strategy, VTB also began work on developing the VTB Sustainability Strategy, which will set out the main areas for responsible banking at VTB and outline our sustainability targets.

The current VTB Group Strategy, developed for the period up to 2022 partly reflects the principles of responsible business practices, incorporation of environmental, social and governance factors (ESG-factors) into decision-making processes. For a more complete implementation of ESG factors in the Bank's activities, it was decided to develop a separate profile document.

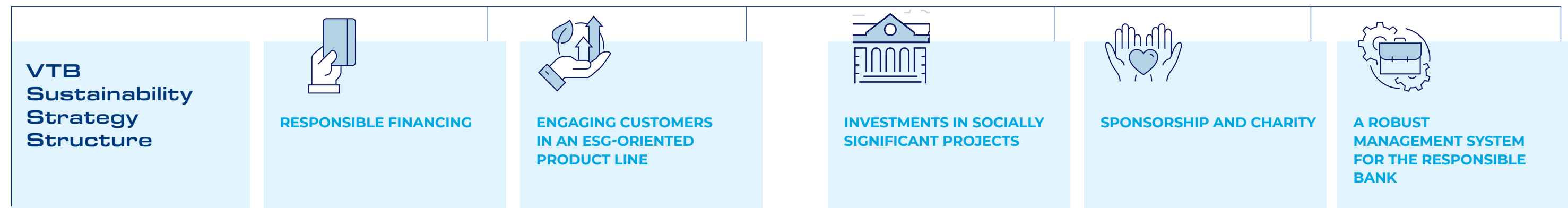
The new ESG strategy will be adopted in mid-2021 and will provide for the following priority areas: responsible financing, including advising customers on improving the ESG characteristics of their business, customer involvement in ESG projects and initiatives, investment in socially important projects, sponsorship and charity, organisational development, as well as the creation of an ESG management model, including management of relevant risks.

Significant attention will be paid to green financing and responsible investing - lending for environmental projects, energy service factoring, green bonds issue, as well as creation of new green instruments.

In addition, the issues of reducing our own ecological footprint, reducing and improving the structure of energy consumption, the transition to a paperless document flow will be considered.

A separate area of the new Strategy will be the implementation of projects in the field of social infrastructure, including the implementation of concessional mortgage lending programmes, housing construction and transport infrastructure, the development of social services.

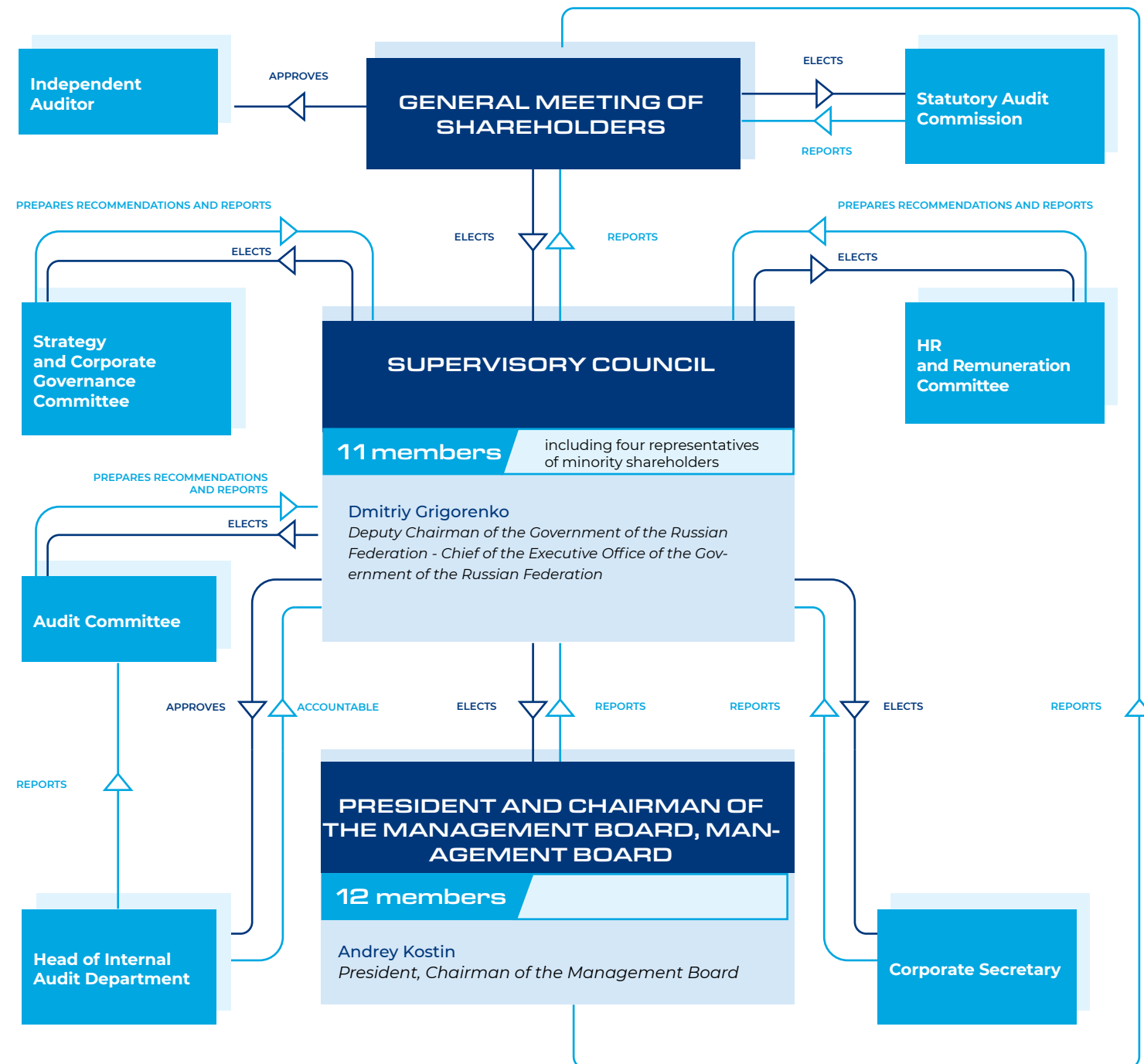
A provision is also made to include clear benchmarks in the Strategy, by which it will be possible to judge the success of implementation of the Strategy.



Corporate Governance

VTB has built an effective corporate governance system that ensures the transparency of management decision-making and is aimed at achieving our long-term objective of embedding responsible banking principles into all aspects of the Group's business.

Structure of VTB Bank's (PJSC) corporate governance bodies



VTB's corporate governance system goals



General Meeting of Shareholders

The General Shareholders Meeting is the supreme governing body of VTB Bank. Any shareholder with ordinary shares may exercise his/her right to participate in the management of the Bank by voting on issues on the agenda of the General Meeting of Shareholders.

The General Meeting of Shareholders reviews and approves the Annual Report. At the same time, shareholders are involved in shaping the content of the Group's Sustainability Report, which details the economic, environmental and social impacts, risks and opportunities.

The Bank and its minority shareholders have established the Shareholders' Consultative Council, an independent expert and advisory body comprised of minority shareholders,

whose meetings are attended by members of the Supervisory Council and the Bank's executive bodies. Members of the Shareholders' Consultative Council participate in VTB Bank's activities by discussing the most pressing and important issues affecting the interests of shareholders, including the sustainable development of the VTB Group, the development and implementation of the Group's strategy and the improvement of corporate governance practices.

VTB'S CORPORATE GOVERNANCE SYSTEM IS BASED ON THE BEST RUSSIAN AND INTERNATIONAL PRACTICES AND IS CONSTANTLY BEING IMPROVED TAKING INTO ACCOUNT THE NEEDS OF SHAREHOLDERS AND OTHER STAKEHOLDERS, ENSURING A CONSISTENT APPROACH TO MANAGING THE GROUP'S SUSTAINABLE DEVELOPMENT.

Supervisory Council

The Bank's Supervisory Council, elected by and accountable to the shareholders, provides strategic management and control over the activities of the executive bodies: the President - Chairman of the Management Board and the Management Board.

The Supervisory Council approves the Group's Strategy and Long-Term Development Programme, including sustainable development issues, policy for remuneration and reimbursement of executive bodies and other key executives, plays a key role in significant corporate events. An important function of the Supervisory Council is to ensure that the Group's risk management and internal control system works as a whole.

At the Annual General Meeting of Shareholders held on 24 September 2020, a new composition of the Bank's Supervisory Council was elected. The Bank believes that the current composition of the Supervisory Council is as independent as possible in its activities, which allows it to represent the interests of a wide range of shareholders.

The Audit Committee and the HR and Remuneration Committee formed in 2020 under the Bank's Supervisory Council consist exclusively of independent directors.

The following Committees are established and actively operate under the Supervisory Council:

- **The HR and Remuneration Committee**, which prepares recommendations on the key issues of appointments and motivation of the members of the Supervisory Council, executive bodies and control bodies;
- **The Audit Committee**, whose main activities are the analysis and maintenance of an effective and adequate internal control system;
- **Strategy and Corporate Governance Committee**, which reviews and prepares recommendations on issues of strategic development, including sustainable development, improvement of corporate governance quality and enhancement of the Bank's equity management.

The new members of the Bank's Supervisory Council include:

5

directors who are
not related to the
major shareholder

3

independent
directors

4

representatives of
minority shareholders

Sustainability-related matters reviewed by the Bank's Supervisory Council in 2020

1

Assessment of the implementation of VTB Bank's Long-Term Development Programme and the fulfilment of key performance indicators.

2

Approval of a new version of the VTB Bank Code of Ethics.

3

Approval of a new version of the VTB Bank Regulations on the Procurement of Goods, Works, and Services.

4

Consideration of the report on sponsorship and charity activities of VTB Bank for 2019.

5

Consideration of VTB Bank's sponsorship and charity expenses in 2021.

6

Approval of the plan for counteracting the negative consequences of the COVID-19 epidemic, including measures to protect VTB Bank employees from the spread of coronavirus infection and to ensure the stability of their work.

7

Consideration of the report on the results of implementation in 2019 of the Internal Control Rules to prevent money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (AML/CFT and FPWMD) and recommended measures to improve the AML/CFT and FPWMD system.



Raising the position in the National Corporate Governance Rating to Level 8

Based on annual independent monitoring results, the Russian Institute of Directors raised VTB Bank's National Corporate Governance Rating to Level 8 in 2020, which corresponds to the Best Corporate Governance Practices indicator.

Over the past year, experts saw a number of qualitative changes in the Bank's corporate governance system. Thus, at the 24 September 2020 Annual General Meeting of Shareholders, a new composition of the Bank's Supervisory Council was elected, which included five directors who were not related to the major shareholder. At the same time, three of the five directors are independent and four are representatives of minority shareholders. Shareholders also elected a new Statutory Audit Commission, which included Vadim Soskov, a representative of minority shareholders.

The rating of "8" is assigned to a company which, in the opinion of experts, complies with the requirements of Russian corporate governance legislation, follows an essential part of the Corporate Governance Code and is characterised by insignificant risks of owners' losses related to the quality of corporate governance.

Positive changes in the corporate governance system:

Consideration by the Bank's Supervisory Council of the results of the external evaluation of the Supervisory Council's performance, which was conducted for the first time with the involvement of an independent consultant;

Approval of a new version of the VTB Code of Ethics, which, among other things, contains new provisions on comprehensive regulation of conflicts of interests of the Bank's employees and members of the Supervisory Council;

The Audit Committee and the HR and Remuneration Committee under the Bank Supervisory Council are comprised exclusively of independent directors.

Management Board

The executive bodies, the President - Chairman of the Management Board and the Management Board, carry out day-to-day management and implement the tasks assigned to them by the shareholders and the Supervisory Council. Among other things, they are responsible for implementing the management decisions of the Supervisory Council in the economic, environmental and social sector.

The Management Board has a number of standing collegial working bodies, commissions and committees involved in making management decisions on sustainable development issues. These Committees and commissions report to the executive bodies of the Bank - the Management Board and the President - Chairman of the Management Board.

Statutory Audit Commission

Monitoring over the financial and economic activities of the Bank is carried out by the Statutory Audit Commission, as well as the Internal Audit Department - an independent structural division accountable to the Supervisory Council. The Department monitors and evaluates the efficiency of the Bank's internal control system, management of banking risks, verifies the accuracy, completeness, objectivity and timeliness of accounting and management reporting. It also forms unified approaches to the organisation of internal control systems in companies under the Bank's control, collects information on their condition and develops recommendations for their improvement. The Supervisory Council approves the work plans of the Internal Audit Department and monitors their implementation.

The composition of the Statutory Audit Committee is approved by the Bank's General Shareholders Meeting. Among other things, since 2014, it includes a representative of minority shareholders.



Key committees of the VTB Bank Management Board responsible for managing sustainability aspects

- Retail Business Development Committee;
- Medium and Small Business Development Committee;
- Loan Committee;
- Operational and Compliance Risk Management Committee;
- Commissions for Procurement of Goods, Works and Services;
- Personnel Committee;
- Sponsorship and Charity Committee.

Sustainability Risk Management

VTB Group risks, including those related to sustainable development, are managed on the basis of unified standards developed and adopted by the Bank. These standards regulate procedures for identifying, assessing and monitoring risks, controlling their volume, structure and concentration, developing effective measures to optimise and mitigate risks and preparing regular risk reports.

The VTB Group defines sustainability risks as:

- ESG risks;
- Strategic risk;
- Information security risks.

As part of the ESG risk management approach, the Bank checks the customer's compliance with legal requirements, as well as analyses the environmental impact of subjects to mortgage in terms of real estate and property complexes.

ESG Risks

As part of our commitment to sustainable development and consideration of complex risk relationships, the Bank focuses on ESG risks associated with such factors as environmental, social and governance aspects. They also affect the value of the company, are taken into account in responsible investment and are implemented within the scope of the risks identified in the Bank.

ESG risks are managed comprehensively in terms of the following types of risks: credit, reputational, operational and concentration risks.

Physical risk is determined by the Bank mainly as part of operational risk analysis. Additionally, scenario-based analysis may also be performed, including assessment of the consequences of potential unfavourable conditions, and self-assessment of actually incurred loss due to operational risk, including in connection with emergency situations. In addition, risks associated with the occurrence of emergency situations are analysed when assessing the pledged property.

The transitional risk is assessed by the Bank within the scope of credit risk when considering the possibility of issuing a loan and assigning a credit rating to a borrower. In the industry analysis, the Bank considers political, legal and technological changes in the industry, and therefore provides additional assessment of the transitional risk.

In assessing the credit risk premium, consideration is given to the borrower's credit rating, which in turn includes an assessment of the likelihood of losses from investment risks of transitional risk, as well as physical risk.

The Group's financial stability may be affected by the following types of ESG risks:

Physical Risk - the risk of financial and economic losses as a result of emergencies or natural trends (floods, earthquakes, increase in average temperature);

Transition Risk - the risk of financial losses as a result of political, legal and technological changes in connection with the transition to a low-carbon economy. This category of risks is associated with the financial consequences of measures aimed at limiting the negative impacts of climate change or adaptation to climate change.

Strategic risk

Strategic risk is the risk of an unfavorable change in the results of the Bank's activities due to erroneous decisions made in the course of the Bank's management, including the design, approval and implementation of the Bank's development strategy, improper execution of decisions made, as well as the Bank's inability to take into account changes in external factors.

The Bank considers changes in socio-economic and demographic processes, segmentation of the banking services market and supply and demand trends, the Bank's competitive position in selected market segments, as well as the influence of third parties to be external factors conditioning the strategic risk.

The applied methods of strategic risk management in the Bank are strategic and business planning, monitoring over the fulfillment of the approved plans, as well as analysis of changes in the market environment.

In order to maintain strategic risk at an acceptable level, the Bank provides for:

- monitoring and controlling the achievement of the Bank's goals and targets;
- monitoring of external environment conditions (including macroeconomics, changes in customer segments, market demand for banking products, competitive environment) and the Bank's internal environment;
- monitoring the overall level of strategic risk on the basis of the developed evaluation methodology.

Information security risk

Information security risk is a type of operational risk. It represents the risk of the implementation of information security threats, which are caused by deficiencies in information security processes, including technological and other measures, application software deficiencies in automated systems and applications, as well as the non-compliance of these processes with the Bank's activities.

The operational risk management system of VTB Bank is aimed at minimising the cases of information security risk, including reducing the probability of violations of business processes, personnel errors, deliberate actions of personnel or third parties against the Bank and its customers, system and equipment failures, violation of rights of customers and counterparties, as well as limiting the amount of losses from its realisation.



Compliance Control

One of the important tasks of the Bank is to have an effective system of elements and mechanisms for preventing money laundering, terrorist financing and the financing of proliferation of weapons of mass destruction (AML/CFT and FPWMD) and for managing regulatory (compliance) risks.

In order to comply with legal requirements and to organise processes and procedures for compliance risk management, AML/CFT and FPWMD, the Bank has established and operates the Compliance Control and Financial Monitoring Department, which operates in accordance with the Regulation approved by the Management Board of VTB Bank.

The divisions within its structure ensure compliance with the current AML/CFT and FPWMD laws and the Bank's regulations in these areas, as well as assist the Bank's divisions in performing their business conduct and support tasks with regard to compliance with regulatory requirements in such areas as compliance risk management, combating insider information misuse and market manipulation, managing conflicts of interest, and combating corruption.

As part of the implementation of the Bank's strategic goals to create a first-choice financial institution, the approach to a number of AML/CFT and FPWMD requirements was revised, significantly advancing financial monitoring and compliance towards digitalisation and implementation of automated solutions.

Repeated restrictions and stay-at-home order introduced in the reporting period served as factors that pushed the process of digitalisation of banking services and prioritised their transition to the online mode. Re-engineering of processes towards automation made it possible to almost completely transfer interaction with customers into remote communication channels and shape the customer experience.

The Bank is a permanent member of the dedicated committees of professional associations: Association of Banks of Russia ("Russia" Association), National Council of Financial Market, Compliance Council of Rosfinmonitoring. Employees of the Compliance Control and Financial Monitoring Department within these associations review and formulate comments and proposals on legislative initiatives, make proposals to improve AML/CFT and compliance regulatory requirements, and, together with representatives of the banking community and government agencies, work out common solutions and approaches to the implementation of these requirements.

VTB Bank monitors compliance with business ethics and anti-corruption requirements on a regular basis. The Bank has a multi-channel system for receiving employee reports of violations and abuses, including those related to conflicts of interest, corruption and business ethics. Information is analysed, causes are identified, and recommendations are developed for subdivisions on how to resolve situations that have arisen and prevent their occurrence in the future.

ONE OF VTB'S PRIORITIES IS TO ENSURE A BALANCE BETWEEN UNCONDITIONAL COMPLIANCE WITH LEGISLATION AND CUSTOMER SATISFACTION.



VTB was given the highest Anti-Corruption Rating for Russian Business

In 2020, the Russian Union of Industrialists and Entrepreneurs awarded VTB Bank the highest possible rating grade, AI, based on the results of the first national Anti-Corruption Rating of Russian Business. This class is assigned to companies with the highest level of anti-corruption management and the lowest level of risk of corruption and related threats to investors, creditors, business partners and other stakeholders.

The purpose of the rating is to increase the openness and transparency of Russian business by publishing the level of compliance of companies' activities with the provisions of the Anti-Corruption Charter of Russian Business and the international standard ISO 37001:2016 "Anti-bribery Management Systems — Requirements with Guidance for Use". The rating makes it possible to see to what extent the country's

largest companies are ready to effectively use and publicly disclose their anti-corruption management systems.

According to the Rating Committee, VTB Bank's leadership in anti-corruption compliance in the Russian Federation is based on the developed system of internal anti-corruption control acts, as well as their use with a high level of automation/digitalisation of the results of such controls.

Business Ethics and Anti-Corruption

Maintaining high standards of business ethics and transparency and preventing and combating corruption are integral parts of the VTB Group's corporate culture.

The Bank has a Code of Ethics and Anti-Corruption Policy, which establish ethical standards of operation and provide for the principles and rules of business conduct and ethics mandatory for all employees and members of the Supervisory Council, including the prevention of corruption in the performance of official duties.

Adherence to the Bank's Code of Ethics is mandatory and unconditional for all employees. In cases where the ethical standards and principles set out in the Code of Ethics are higher than those defined by business practice and applicable law, the Bank observes the standards and principles of the Code of Ethics.

VTB also participates in anti-corruption partnerships. In particular, in 2020, projects were implemented jointly with the Anti-Corruption Centre of the Higher School of Economics to develop a regulatory framework for combating corruption, including the creation of e-courses on foreign anti-corruption legislation applicable to Russian organisations and the creation of a database of court practice on the application of liability for corruption offences.

Also with the support of VTB, the Institute of Legislation and Comparative Law under the Government of the Russian Federation has held a number of scientific, practical and educational events aimed at creating an atmosphere of intolerance to corrupt practices in society and increasing the effectiveness of anti-corruption education.

Internal control and business ethics training of personnel

In order to maintain the highest ethical standards of VTB Group operations, mandatory training has been arranged for all employees.

All newly hired employees are obligated to familiarise themselves with the internal regulations that stipulate principles and standards of ethical conduct and terms of employment with the Bank or any other company of the VTB Group. Employee adaptation includes required introductory training courses that explain the Code of Ethics to all categories of new employees. Training programmes are available as remote learning sessions on the Bank's employee education portal and on VTB Group companies' internal corporate platforms.

The system of mandatory training creates uniform standards of compliance for all VTB Group employees and provides general corporate knowledge on the following matters:

- Compliance control;
- AML/CFT and FPWMD;
- Preventing the improper use of insider information and market manipulation;
- Data security;
- Operational risk management.

All Bank employees also receive anti-corruption training.

10.1
thousand of the Bank's employees

received anti-corruption training in 2020

2.5
million RUB

expenditures on supporting partner anti-corruption projects

System for receiving employees' reports on violations and abuses

The Bank has a multi-channel system for receiving employee reports of violations and abuses, including those related to conflicts of interest, corruption and business ethics. Responsible functional areas of the Bank regularly analyse information, identify causes and make recommendations on how to resolve the situations that have arisen and prevent their occurrence in the future.

Part of this system is the Whistleblower hotline where employees can address issues of violations of Russian law and the Bank's regulatory and organisational and administrative documents, including reporting cases of corruption.

A total of 49 reports were made by employees to the whistleblower hotline in 2020. Each request was investigated, and appropriate measures were taken as a result.

Responsible procurement approach

VTB adheres to a responsible approach to procurement and consistently works to create a transparent and efficient procurement infrastructure and improve cooperation with suppliers.

VTB Bank's procurement activities are aimed at ensuring that the Bank's needs for high-quality products are met in a timely and complete manner, subject to the following conditions:

- Procurement transparency;
- Efficient use of funds;
- Expanding the opportunities for legal entities and individuals, including small and medium businesses, to participate in procurement;
- Development of fair competition.

The Bank is guided by basic procurement activity principles and ensures the transparency of procurement processes, equal rights, non-discrimination and the absence of unjustified restrictions on competition towards participants. VTB adheres to the principle of targeted and cost-effective spending of funds and does not limit access to procurement opportunities by setting biased requirements for participants.

317.2
billion RUB

volume of procurement activities in 2020

In order to improve the digitalisation of our procurement processes, in 2020 VTB introduced electronic document management between the Bank and its counterparties, launched iProc, a new procurement management system, and developed and introduced robotised technologies to process bulk transactions.

As part of the creation of an optimal model for the management of VTB's procurement function, in 2020 the procurement functions of a number of the Bank's divisions were centralised in a single competence centre.

Key areas for the development of responsible purchasing at VTB Bank



Implementation of the optimal model and efficient tools for managing the procurement function



Continuous improvement of procurement processes



Digitalisation of the procurement management process



Support for small and medium entrepreneurship



Implementation of an import substitution programme

Increasing the share of small and medium enterprises in total procurement

An important achievement of 2020 was the greater access of small and medium enterprises to the Bank's procurement activities. The total volume of orders placed among them amounted to RUB 33.6 billion. At the same time, the annual volume of procurements from small and medium enterprises was 40% (with the statutory standard of 20%). The annual volume of procurements, participants of which may only be small and medium enterprises, amounted to 27% (with the statutory standard of 18%).

Low-volume procurements in 2020 were transferred to the Corporate Online Store on the *VTB Business Connect* platform. On the one hand, this approach ensures increased competitiveness of potential suppliers, as well as provides an opportunity for objective assessment of the existing quotation market and analysis of information on fulfillment of obligations by suppliers from VTB. On the other hand, it is an effective online platform that promotes fair competition and provides opportunities for small businesses to become reliable suppliers to VTB. A total of 2,820 procurements totalling RUB 0.7 billion were made through the *VTB Business Connect* Corporate Online Store in 2020.

40%
purchases

from small and medium businesses out of the total number of suppliers

2,820
purchases

were placed in the Corporate Online Store on the *VTB Business Connect* platform

Stakeholder Engagement

The trust of our stakeholders is a key element of the successful implementation of the Group's strategic objectives. The VTB Group's stakeholder engagement activities rely on the principles of fairness, due diligence, professional competence, mutual trust and respect, focus on clients' interests, and inviolability of obligations.

Shareholders

In 2020, the number of VTB shareholders more than doubled from 159 thousand to 337 thousand. As of December 2020, VTB had 336 thousand private investors living in 85 regions of Russia. In 2020, the shareholder structure continued to be rejuvenated, with 79% of our shareholders under the age of 50.

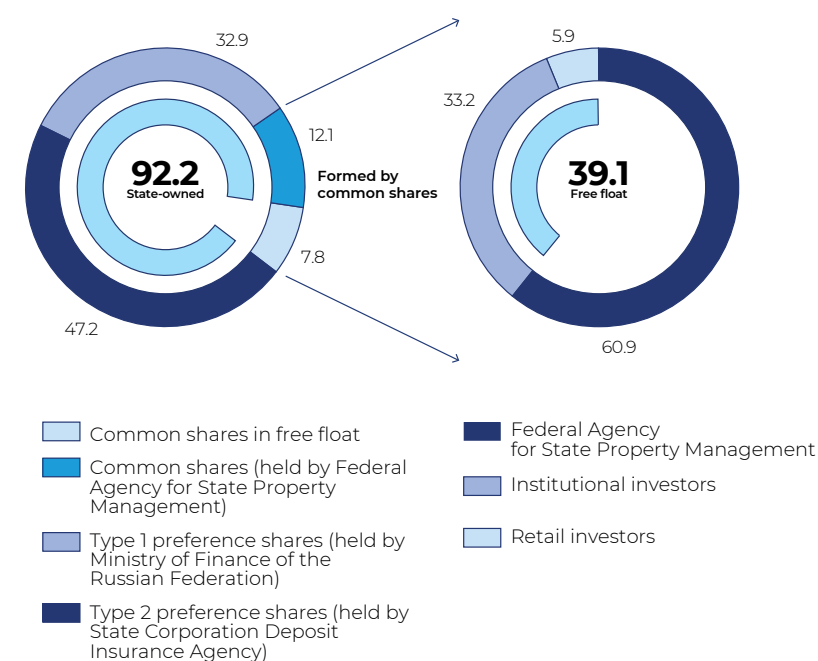
VTB continued to implement a comprehensive shareholder and investment community engagement programme aimed at improving the investment appeal of VTB shares and increasing the Bank's market capitalisation.

The Shareholder Relations Service is the main body responsible for relations with all individual shareholders. VTB implements a number of significant projects and measures to ensure effective shareholder engagement, encourage feedback and improve financial literacy among minority shareholders.

The Bank has an effective system for minority shareholder engagement. A VTB shareholder can contact the Bank through a broad range of channels, including online on the Bank's website and social networks, by email, through the Shareholder Relations Service and Call Centre, using a mobile application and through Shareholder Relations Centres.

VTB's comprehensive communications system includes a broad range of forms and tools for stakeholder engagement, as well as feedback mechanisms, which help identify the most significant issues in a timely manner and effectively manage our own impact.

VTB SHAREHOLDING PATTERN, %



336
thousand

private investors from 85 regions of the Russian Federation

79%

of shareholders are under 50



Impact of the COVID-19 pandemic on shareholder engagement processes

The following initiatives were implemented in 2020:

The functionality of the *VTB Shareholder* mobile application was significantly enhanced;

The *Shareholder and Investor Relations* section of the VTB Bank website was updated;

Communication with shareholders via social networks was improved;

A new interactive online format for shareholder information delivery was developed - the Shareholder Guide;

We created the *I Am a VTB Shareholder* community on the Bank's intranet portal for VTB employees;

Four online training programmes were launched.

The COVID-19 pandemic made significant adjustments to VTB Bank's plans for holding shareholder events. Scheduled in-person events were transformed into an online format and remote communication channels were used on a broader scale.

In order to ensure the safety of VTB shareholders and employees, the Shareholder Relations Centres were temporarily closed to receive visitors in person in April 2020. As a result, one of the key objectives in the development of communications was to improve existing electronic channels and offer new opportunities for shareholders.

Shareholders' Consultative Council

The Shareholders' Consultative Council is a unique advisory body for improving relations between VTB and its minority shareholders. The Shareholders' Consultative Council's main objective is to represent the interests of minority shareholders and to communicate their position to the Bank's top management. The Shareholders' Consultative Council regularly suggests new ways of improving the quality of service and participates in discussions of strategically important issues, including dividend payments

and the Group's development strategy. Members of the Management Board and Supervisory Council, heads of the Bank's departments and functional areas, as well as subsidiaries, participate in meetings of the Council.



Reception of enquiries in the Shareholder Relations Service



Specialised website dedicated to the General Meeting of Shareholders



Newsletter



Social networks



Investor days and seminars (temporarily suspended and moved online)



General meeting of shareholders



Shareholders' Consultative Council



VTB Shareholder mobile app



Online training courses



Shareholders' Centres in Moscow, St. Petersburg, and Yekaterinburg

RESULTS

Meeting of the Shareholders' Consultative Council

1

meeting

in person

3

meetings

in online format

Newsletter

12

issues

121

thousand recipients

Online conferences with representatives of the Shareholders' Consultative Council and VTB top management

4

conferences

>18

thousand participants

Working with enquiries

~12

thousand enquiries

on shareholder relations, shareholder special offers, customer service, brokerage services, etc.

Online interaction

2.5

thousand subscribers

on social networks

~40

thousand installations

of the *VTB Shareholder* mobile app

1

million views

of the *Shareholder and Investor Relations* section of the Bank's website

Special offers and benefits programme for holders of the Bank's shares:

>290

thousand shareholders

buy the Bank's retail products

181

thousand packages of VTB services

were executed by the shareholders of the Bank

Shareholder events

>50

thousand participants

of online training events for shareholders

766

participants

of in-person events for shareholders in 2020

Annual General Meeting of Shareholders in the online format

4.2

thousand participants

Investors

VTB strives to keep the investment and analytical community informed of the VTB Group's operational and financial performance in a timely manner and as promptly as possible. VTB works to diversify its institutional investor base and maintain contacts with portfolio managers of investment funds holding the Bank's shares and bonds and with potential investors in VTB. We constantly strive to increase the level of information transparency and regularly inform representatives of the investment and financial community on all issues of interest through various channels, as well as to promptly respond to incoming requests.

The most important element of interaction with the investment and analytical community is the provision of high-quality and prompt feedback. Based on the requests received, the level of information disclosure in financial statements, annual reports, sustainability reports and on the corporate website is constantly improved.

Affected by the COVID-19 pandemic, the format of communication with institutional investors and analysts was changed and all events were transferred to the online format: 157 online meetings were

held (of which 96 were held as part of online conferences and road shows).

Also during the reporting period, an independent survey was conducted on VTB's perception by the investment and analytical community, to identify its strengths and strategic objectives for the Group's development from the perspective of market participants. Largest international investment funds took part in the survey. The questions were about VTB Group's operating and financial performance, market position, strategic priorities and development objectives.

Customers

Among VTB's customers are dozens of thousands of large companies, small and medium businesses, operating in various industries and millions of individuals, including customers from VTB's retail business.

VTB sticks a responsible approach to customer relations and observes the principles of business ethics and fair marketing. The Bank takes all necessary measures to prevent fraudulent sales and the misrepresentation of customers. In order to effectively support customers on all issues that arise, feedback is analysed to determine the most pressing issues and conduct customer satisfaction surveys.

In interacting with customers, VTB offers innovative solutions and products and services individually tailored to each customer group, and strives to ensure the highest level of service for everyone.

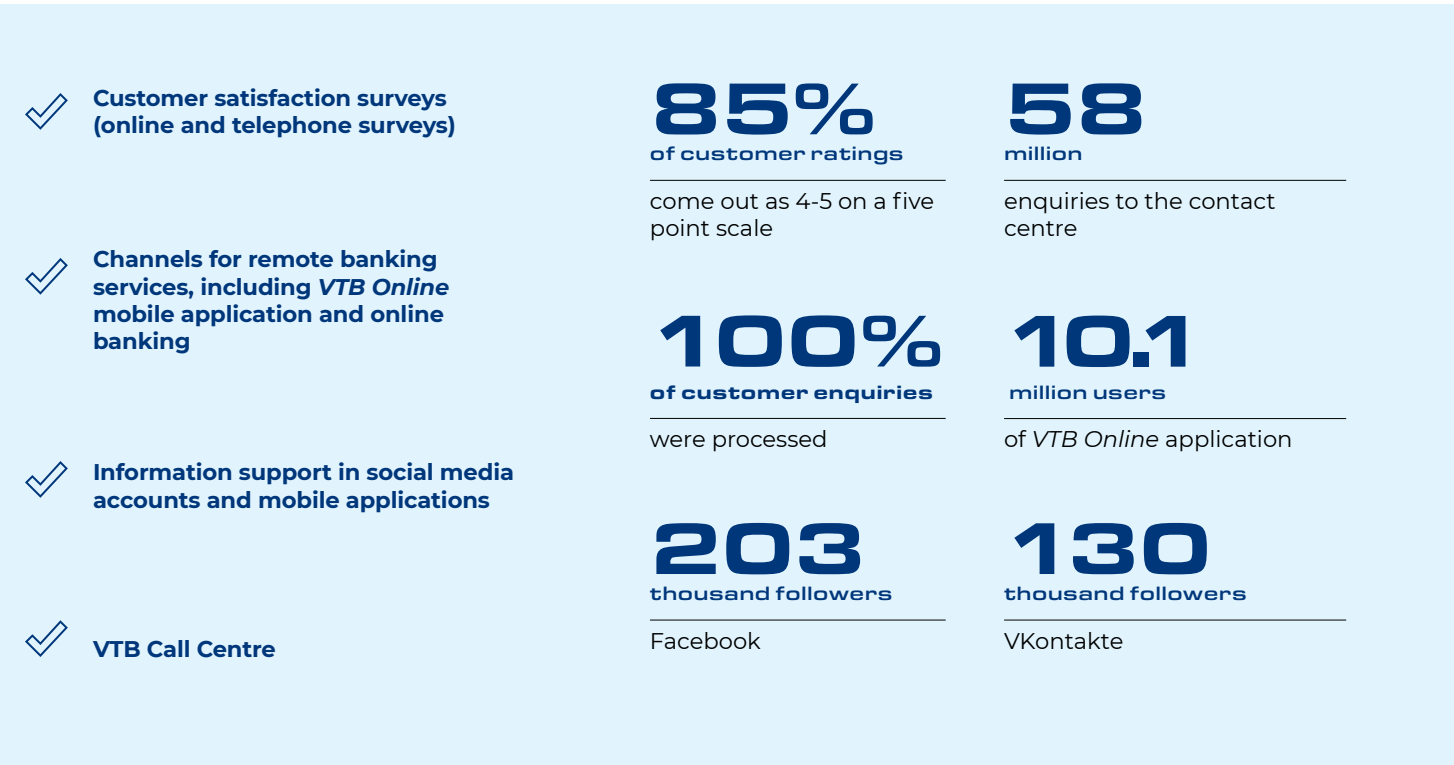
For more information on customer support during the COVID-19 pandemic, see p. 13

RESULTS



THERE WAS A RECORD INCREASE IN THE NUMBER OF PARTICIPANTS IN THE IFRS QUARTERLY DISCLOSURE CONFERENCE CALLS, WITH A 64% INCREASE IN THE NUMBER OF PARTICIPANTS COMPARED TO 2019.

RESULTS



THE BANK HAS BUILT AN EFFECTIVE SYSTEM FOR IMPROVING THE QUALITY OF CUSTOMER SERVICE, ALLOWING IT TO MAINTAIN A HIGH LEVEL OF CUSTOMER LOYALTY YEAR AFTER YEAR.

Authorities

The Russian Federation represented by the Federal Agency for State Property Management is the major shareholder of VTB Bank, which imposes certain obligations and has a significant influence on the Bank's policy. In its operations, VTB strives to meet the goals set by the government and contribute to the successful achievement of strategic national objectives.

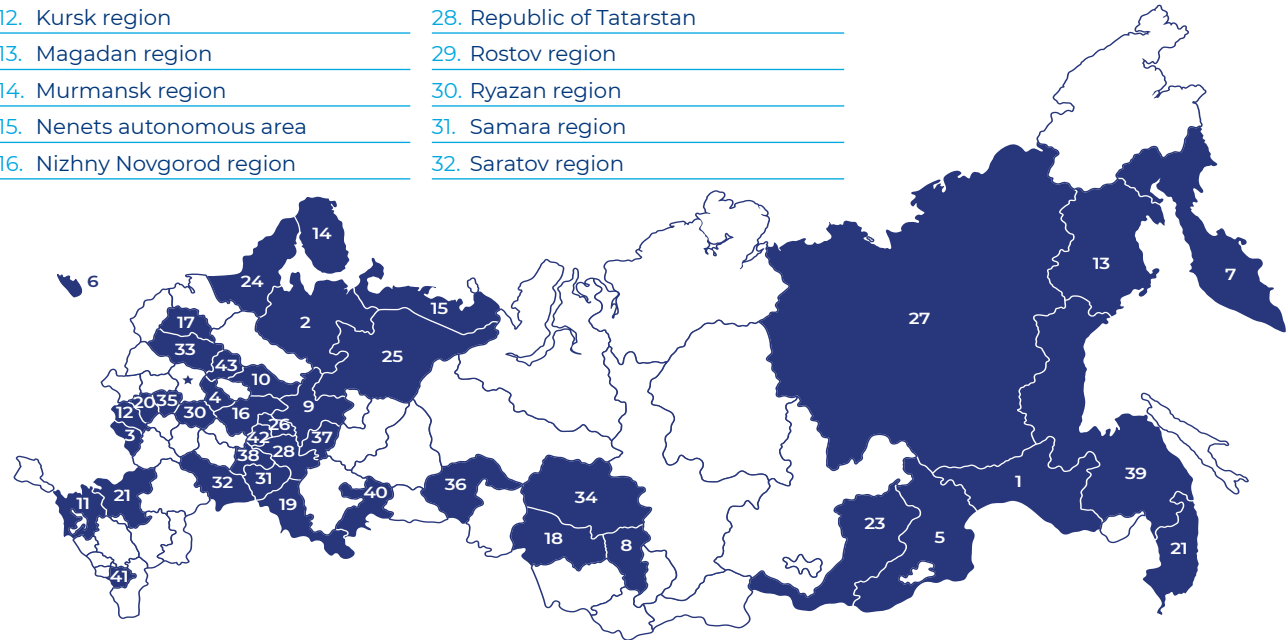
The Bank is actively involved in resolving pressing issues of national development, contributing to the successful functioning of various sectors of the Russian economy and promoting social and economic stability in the Russian Federation. VTB participates in a number of working groups and consultative bodies under federal executive and legislative authorities and public and professional associations.

VTB participates in efforts to improve and harmonise legislation in the Russian Federation. The Bank focuses its attention on draft laws related to the introduction of new banking services, issues on the OTC financial market and pension legislation, as well as initiatives affecting the Bank's brokerage, corporate investment and leasing business. In particular, amendments to corporate legislation, the Tax Code of the Russian Federation, the Federal Law "On the National Payment System", AML/CFT, and amendments to a number of regulatory and legal acts related to the Bank's participation in the digital economy are being developed.

The VTB Group believes it is necessary to extend cooperation with state and municipal authorities in the area of social and economic development of the regions where it operates.

Russian regions with which VTB Bank has cooperation agreements in place

- | | | |
|----------------------------|------------------------------|--------------------------|
| 1. Amur region | 17. Novgorod region | 33. Tver region |
| 2. Arkhangelsk region | 18. Novosibirsk region | 34. Tomsk region |
| 3. Belgorod region | 19. Orenburg region | 35. Tula region |
| 4. Vladimir region | 20. Orlov region | 36. Tyumen region |
| 5. Zabaykalsky territory | 21. Primorsky territory | 37. Udmurt Republic |
| 6. Kaliningrad region | 22. Pskov region | 38. Ulyanovsk region |
| 7. Kamchatka territory | 23. Buryat Republic | 39. Khabarovsk territory |
| 8. Kemerovo region | 24. Republic of Karelia | 40. Chelyabinsk region |
| 9. Kirov region | 25. Republic of Komi | 41. Chechen Republic |
| 10. Kostroma region | 26. Mari El Republic | 42. Chuvash Republic |
| 11. Krasnoyarsk territory | 27. Sakha Republic (Yakutia) | 43. Yaroslavl region |
| 12. Kursk region | 28. Republic of Tatarstan | |
| 13. Magadan region | 29. Rostov region | |
| 14. Murmansk region | 30. Ryazan region | |
| 15. Nenets autonomous area | 31. Samara region | |
| 16. Nizhny Novgorod region | 32. Saratov region | |



Scopes of cooperation between VTB and Russian regions

Development of regions' social and economic potential

Implementation of cutting-edge banking technologies and increasing the availability of financial services

Development of bank card service infrastructure

Industrial complex modernisation

Facilitation of investment in the regions

Development of a credit system

Development of housing construction

In 2020, VTB Capital arranged more than 30 bond placements for constituent entities and municipalities for a total amount of over RUB 300 billion. This financing of the budgets of the constituent entities allowed the issuers to fully implement all social functions assigned to the respective budgets. A number of issuers, such as Sverdlovsk, Ulyanovsk, Novosibirsk regions, were included in the top 10 ESG-rating of Russian regions, compiled by the RAEX-Analytics rating agency on the Governance (Management quality) criterion. The leaders in the Environmental criterion according to the same rating - St. Petersburg and the Moscow region - allocated significant funds for the development of environmental programmes of the respective regions, including the development of environmentally safe transport.

RESULTS

✓ **Payment of taxes to federal and regional budgets**

✓ **Cooperation with regional authorities**

✓ **Participation in expert councils, parliamentary hearings, roundtables and working groups on drafting laws and regulations**

✓ **Information disclosure in accordance with legislative requirements**

✓ **Participating in associations and charters, major business forums, and events**

43

agreements

with the regions

>10

industry associations

of the federal level, in which the Bank participates

50

VTB representatives

take an active part:

- in working groups under the committees of the State Duma and the Federation Council;
- at expert platforms in the Russian Union of Industrialists and Entrepreneurs and the Chamber of Commerce and Industry of the Russian Federation;
- in industry specific associations uniting financial market participants.

Business partners

The VTB Group develops long-term mutually beneficial relationships with its business partners on the basis of the principles of equality, fairness, non-discrimination, prevention of corruption and transparency.

This category of stakeholders includes suppliers and contractors and companies of various shapes and sizes, including large companies, medium and small businesses and individual entrepreneurs.

development, providing social benefits and occupational health and safety.

For more information on business partner engagement, see p. 51.

For more information on employee relations, see p. 116.

RESULTS

RESULTS



VTB ENSURES EQUAL COMPETITIVE CONDITIONS THROUGH AN UNBIASED AND EFFECTIVE SELECTION OF SUPPLIERS AND CONTRACTORS IN KEY AREAS OF THE GROUP ACTIVITIES.

VTB'S EFFICIENT CORPORATE CULTURE IS ACHIEVED PRIMARILY THROUGH AN EFFECTIVE SYSTEM OF INTERNAL COMMUNICATIONS, THE MAIN PRINCIPLES OF WHICH INCLUDE ACTIVE EMPLOYEE INVOLVEMENT, EFFECTIVE FEEDBACK CHANNELS AND DYNAMIC GROWTH AND DEVELOPMENT.

Sustainability Report '20

//vtb.com

60

61

Society

The VTB Group pays significant attention to building partnerships with non-governmental organisations in order to ensure sustainable economic development in the regions of operation and improving the quality of life of their residents. We continuously work with local authorities, the media and non-governmental organisations to implement social investment programmes.

As a result of such cooperation, a number of large-scale charity and sponsorship projects supporting mass sports, culture and the arts, as well as health, education and social welfare programmes are implemented each year. VTB is also a member of a number of professional associations and business unions.

For more information on cooperation with NGOs and non-profit organisations, see p. 138.

- ✓

Targeted sponsorship and charity support
- ✓

Supporting higher education institutions, undergraduate and postgraduate students and young scientists
- ✓

Supporting healthcare institutions and participation in projects related to development of advanced healthcare technologies
- ✓

Joint projects with non-profit and charitable organisations
- ✓

Improving the financial literacy of the population
- ✓

Interaction with mass media
- ✓

Development of a website on VTB-Russia social projects
- ✓

Social media accounts

OUR COOPERATION WITH NGOS IS BASED ON THE PRINCIPLES OF CONSISTENCY AND SUSTAINABILITY AND IS CARRIED OUT IN STRICT COMPLIANCE WITH RUSSIAN LEGISLATION AND THE INTERNAL REGULATIONS OF GROUP COMPANIES.

RESULTS



WE connect small and medium sized BUSINESSES

Affordable lending: the interest rate of 8% per annum is one of the lowest on the market, allowing entrepreneurs to save on loan payments and implement their plans.

New digital solutions: the vast majority of settlement transactions at VTB are available to medium and small businesses *online*.



TO available LOANS

RESPONSIBLE BANKING

VTB BELIEVES THAT RESPONSIBLE BANKING MEANS, FIRST AND FOREMOST, TAKING RESPONSIBLE CORPORATE DECISIONS THAT, IN THE LONG TERM, HAVE A POSITIVE IMPACT ON THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE REGIONS OF OPERATION.



"In 2020, the Russian economy was hit by a "perfect storm", and VTB Group took an active part in the implementation of initiatives to support the economy. VTB's corporate and investment loan portfolio reached RUB 7.4 trillion during the year, and the total volume of restructuring organised by VTB for large businesses amounted to RUB 1.3 trillion, which helped our customers through the most difficult periods of the crisis".

Yuri Soloviev

First Deputy President and Chairman of the Management Board, VTB Bank



VTB Group's retail loans portfolio grew rapidly during the reporting period, increasing by 14.6% to RUB 3.9 trillion. The share of retail loans in the structure of the aggregative loan portfolio remained practically unchanged and amounted to 29.3%.

The Group's corporate loan portfolio grew by 14.9% to RUB 9.3 trillion. In corporate lending, the Group continued to increase its loan portfolio across a number of industries, with growth demonstrated by such industries as construction, oil and gas, metallurgy and transportation.

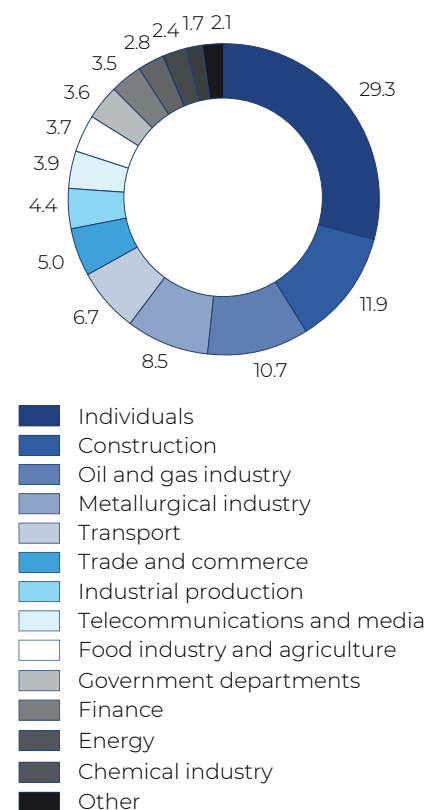


Bank of the Year 2020

VTB received the *Bank of the Year 2020* award from the British magazine *The Banker* as the best Russian bank

Approach to Management and Key Results

DISTRIBUTION OF VTB GROUP'S LOAN PORTFOLIO, 31 DECEMBER 2020, %



Following the principles of responsible banking, the Group provides financing to socially important industries, ensures the territorial and social accessibility of banking services, and increases the security of financial transactions.

In 2020, VTB Group achieved significant operating results:

- Total loan portfolio growth: VTB Group's total loan portfolio increased by 14.8% to RUB 13,162.6 billion. Excluding the effect of currency revaluation, the growth of the total loan portfolio at year-end was 9.2%;
- Increase in customer funds: growth of 16.9%. The volume of the customer funds reached RUB 12,831 billion. Excluding currency revaluation, the increase was 10.5%;
- Customer support during the COVID-19 pandemic:
 - Preferential financing for 75 groups of companies of large businesses, the total volume of restructured loans amounted to RUB 1.3 trillion;
 - The volume of restructured loans to small and medium businesses amounted to about RUB 230 billion;
 - Repayment holidays were provided to 400 thousand retail customers, debt restructuring totaled more than RUB 300 billion.

Number of VTB Bank customers in 2020

CORPORATE AND INVESTMENT
BUSINESS

1.9

thousand customers
of groups of companies

SMALL AND MEDIUM BUSINESS

636

thousand customers
active customers

RETAIL BUSINESS

14.3

million people
active customers

Responsible Financing

VTB pays significant attention to supporting projects aimed at developing the social and economic potential of the regions and countries of operation. Group companies provide services to support priority economic sectors, the development of small and medium-sized businesses, as well as projects in the field of housing and public utilities, healthcare and infrastructure construction.

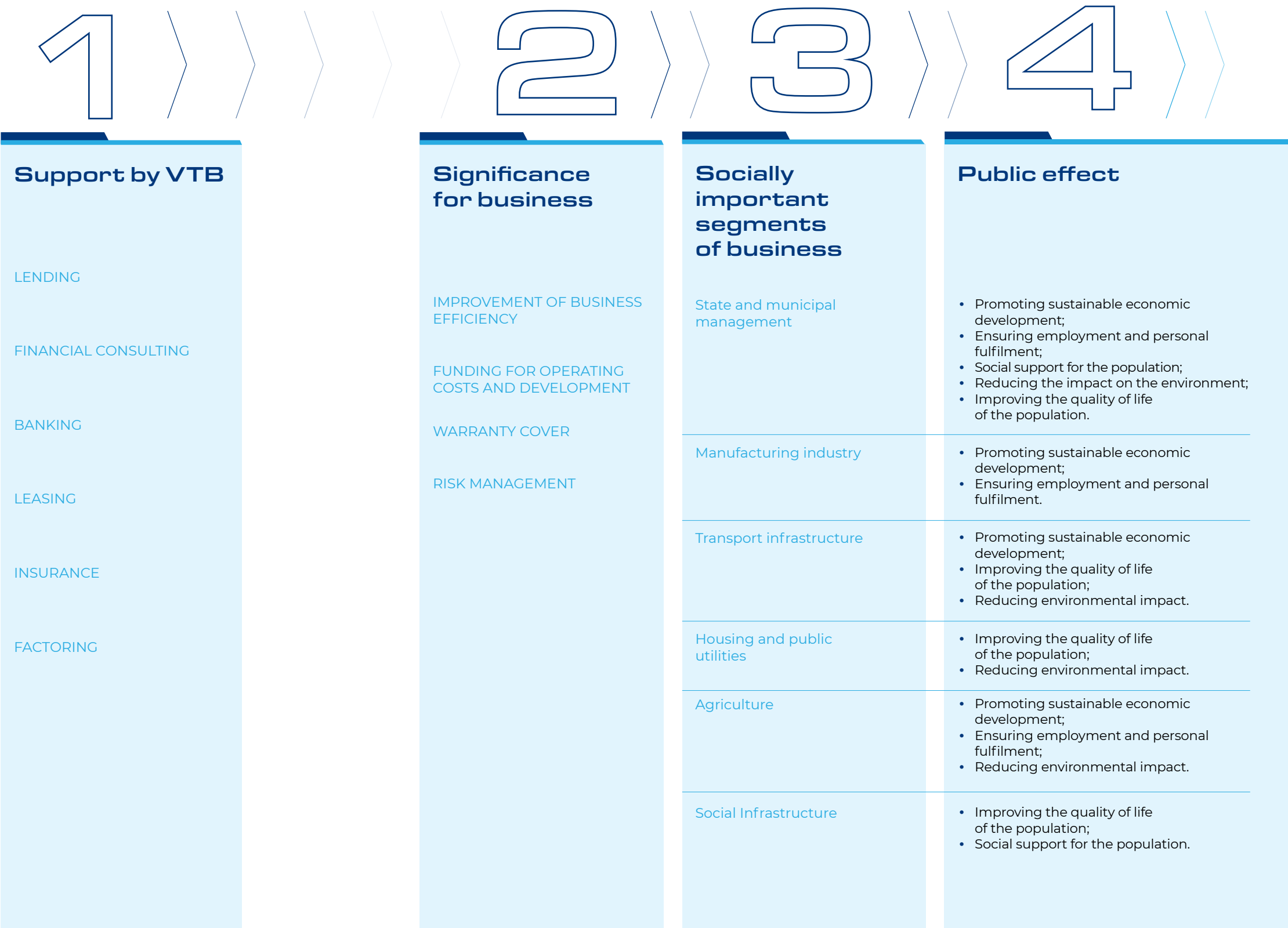
By financing socially significant projects and working closely with the government, VTB contributes to the economies of the regions and countries in which it operates by providing employment and generating labour income, as well as generating tax revenue for municipal, regional and national budgets. VTB also helps small and medium businesses meet their objectives in the most effective way possible by adjusting and developing its services. Particular attention is paid to the development of innovative digital technologies.

VTB and Rostelecom PJSC launched Russia's first universal geo-analytics platform

The company *Big Data Platform*, created in the spring of 2020 by VTB Bank and *Rostelecom* has developed the first universal geo-platform in Russia based on the analysis of impersonal data using automatic machine learning methods. The platform makes it possible to forecast demand, customer flows and other factors in specific locations in order to make decisions about the location of retail outlets, offices, advertising facilities, as well as to assess the investment appeal of buildings and land.

The geo-platform compares 170 layers of impersonal data from banking, telecom and digital services and suggests the best site for a new hair salon, billboard or residential development.

The data collected in a single geo-grid allows the use of automatic machine learning methods, which speeds up the process of bringing products to market. The technologies can be adapted to a company's specific needs within a week.



Developing Russia's transport system

In supporting the development of the transport sector in the Russian Federation, VTB Group not only facilitates accessibility to the regions of operation and increases the mobility of the local population, but also sees its objective in the implementation of the principle of high-quality infrastructure investments. In addition to economic results, social and environmental impacts are taken into account in the implementation of projects.

IN 2020, VTB AND THE ST. PETERSBURG CITY GOVERNMENT AGREED ON THE IMPLEMENTATION OF MAJOR URBAN TRANSPORT PROJECTS:

- The parties reached an agreement on joint activities to ensure the uninterrupted and continuing construction of facilities for the St. Petersburg Metro. VTB registered the Metrostroy of the Northern Capital JSC company, 65% of shares of which were donated to the city. The main activity of Metrostroy of the Northern Capital JSC is the design, construction and reconstruction of subway facilities;
- The parties signed an agreement on the implementation of the project on the construction of the Vitebsk interchange of the Western High-Speed Diameter on the basis of public-private partnership. The construction cost of the interchange is estimated at RUB 27 billion.



Road construction in the Republic of Bashkortostan

The project for the construction of the eastern exit from Ufa to the M-5 "Ural" federal highway is being implemented under a concession agreement between the Bashkir Concession Company (part of VTB Infrastructure Holding) and the Government of the Republic of Bashkortostan. The construction of the Eastern Exit will not only increase the capacity of Ufa's road network, but will also increase tax revenues to the budget of Bashkiria and increase its investment attractiveness.

New jobs will be created thanks to the project's implementation: more than 1.3 thousand people will be employed at the peak of the construction, and more than half of the personnel will be residents of Bashkiria. The project contributes to the development of small and medium businesses in the construction zone, as well as the emergence of opportunities for the development of new areas of Ufa.

884.4
billion RUB

volume of lending to the transport industry in 2020

SAMPLE PROJECTS TO DEVELOP THE TRANSPORT SYSTEM IN RUSSIA IMPLEMENTED WITH VTB BANK PARTICIPATION

PROJECT	DESCRIPTION	AMOUNT, RUB MILLION	EFFECT OF PROJECT IMPLEMENTATION
"Eastern exit" in Ufa Construction of a toll road in the Republic of Bashkortostan	Credit limit	11,600	Improvement of transportation infrastructure, development of additional routes of communication, creation of over 1.5 thousand new jobs
Construction of the Vitebsk interchange of the Western High-Speed Diameter in St. Petersburg	Credit limit	10,000	Improved accessibility of the Western High-Speed Diameter (WHSD) for the residents of the adjacent city districts, reduced load on the existing WHSD interchange and the adjacent street and road network; more than 5.5 thousand new jobs created
"The Power of Siberia" Construction of the Kovykta - Chayanda section gas pipeline	Leasing equipment	370	Securing gas supplies to consumers in the Far East and Asia Pacific countries
Construction of a coal terminal of a closed type Nakhodka, Primorsky territory	Credit limit	150	Construction of a coal terminal in compliance with the latest environmental safety standards

Social and economic benefits from the implementation of VTB's infrastructure projects

Socio-economic effects are not directly reflected in the commercial performance of infrastructure facilities, but lead to an increase in indicators of socio-economic development of the subjects of the Russian Federation and municipalities, among which include:

- the creation of new jobs and increased wages;
- improvement of the quality of life, and increase of the mobility of the population;
- an influx of qualified personnel and an increase in labour productivity;

- introduction of modern production and service technologies;
- higher environmental and safety standards;
- growth of investments;
- growth of associated business and business for infrastructure servicing.

Support for healthcare projects

VTB recognises the need to support projects aimed at improving social infrastructure, so every year the Group provides financial services to companies whose operations have a direct or indirect impact on the healthcare system.

VTB Bank is a key financial partner of MD Medical Group. In 2020, the Bank helped launch hospitals in Samara, Tyumen, Ufa and Novosibirsk. In addition, in September 2020, thanks to the Bank's financing, the second stage of the Lapino Clinical Hospital (Lapino-2 surgical complex) was opened, which was one of the largest healthcare projects in the Russian Federation.

9 billion RUB

credit limit for FGUP Saint Petersburg Scientific and Research Institute of Vaccines and Serums and Enterprise for the Production of Bacterial Preparations

Examples of Funding for Healthcare Projects in 2020

- A credit limit of more than RUB 9 billion for the FGUP Saint Petersburg Scientific and Research Institute of Vaccines and Serums and Enterprise for the Production of Bacterial Preparations of the Federal Medical and Biological Agency, of which RUB 3 billion was allocated to finance the production of immunobiological preparations within the national calendar of preventive vaccinations and RUB 6 billion was for the modernisation and technological upgrade of the production site to meet international standards for the production of preparations;
- A RUB 1.7 billion credit and documentary limit for Elme Messer Rus LLC (ELME MESSER GAAS GC) for the construction of a plant for production of industrial, food and medical gases (liquefied oxygen, nitrogen, argon) in the Moglino Special Economic Zone in Pskov region;
- A line of credit for Meditsina JSC in the amount of RUB 5 billion for a period of nine years. Most of the funds (RUB 3.9 billion) will be used for the construction of the Nuclear Medicine Centre in Khimki. VTB Leasing and Meditsina JSC also signed a contract to supply equipment for magnetic resonance imaging and radiotherapy at the Nuclear Medicine Institute. The project includes funding the purchase of a positron emission tomograph and a complex for the production of radiopharmaceutical drugs. The transaction amounted to more than RUB 400 million. The equipment will be leased to the customer for a three-year term;
- VTB Bank (Azerbaijan) allocated funds for the construction of a new building of a dental clinic in Baku, as well as for the repair and equipment of the existing premises of the clinic.



Cooperation with companies in the housing construction sector

VTB Group actively supports the development of urban infrastructure in order to improve the affordability of housing and quality of life in the regions of operation.

The Group's residential loan portfolio increased by 18% over the year, exceeding RUB 2 trillion. According to the results of the reporting period, VTB occupies 19.3% of the market for housing loans in Russia.

2 trillion RUB

VTB Group residential loans portfolio

SAMPLE VTB BANK PROJECTS AIMED AT THE DEVELOPMENT OF HOUSING CONSTRUCTION

CUSTOMER	PROJECT DESCRIPTION	LINE OF CREDIT / CREDIT LIMIT, RUB BILLION
MR GROUP JSC	"Hide" Housing estate (Moscow)	12.9
Samolyet Group of Companies	"Ostafievo" Housing estate (Moscow)	10.4
PPF Real Estate Russia	"Homecity" Housing estate (Moscow)	9.7
Mangazeya Group of Companies	"You and I" Housing estate (Moscow)	7.0
Transgruz Group of Companies	"Akademichesky" Housing estate (Samara)	2.4
Region-invest Group of Companies	"French Quarters" Housing estate (Izhevsk)	1.6
KOMOSSTROY®	"City of Gunsmiths" Housing estate (Izhevsk)	1.5

Mortgage bonds of DOM.RF Mortgage Agent LLC

In December 2020, VTB Bank completed the largest transaction in the Russian market for the issue of mortgage bonds by DOM.RF Mortgage Agent LLC secured by a portfolio of mortgage loans issued by VTB Bank. The issue with the volume of RUB 191.5 billion is intended to become a benchmark in the Russian mortgage securitisation market due to its significant volume and is intended for a broad investor base.

Mortgage bonds are a key tool used to achieve the goals set by the national Housing and Urban Environment project and Presidential Decree No. 204 dated 7 May 2018 ("Concerning National Goals and Strategic Development Objectives of the Russian Federation for 2024"), which it sets out the goal of improving living conditions for at least five million families every year.

Agricultural development

VTB Group strives to make a significant contribution to the development of the agricultural sector by supporting producers of agricultural products. This creates new jobs in the sector and allows companies to increase their business volumes and produce high-quality, affordable and environmentally friendly products.

The volume of loans provided to food and agricultural companies increased by 3.7% YoY, reaching RUB 491.9 billion.

In 2020, VTB Group, in accordance with the Decree of the Government of the Russian Federation No. 512 dated 26 April 2019, began accepting applications and granting loans to agricultural producers under the new state subsidy programme of the Ministry of Agriculture of the Russian Federation. The interest rate is up to 5% per annum. A wide range of enterprises can participate in the programme, including organisations and individual entrepreneurs engaged in the further processing or sale of agricultural products. The new mechanism enhances the competitiveness of products of the Russian agricultural sector. The volume of the loan portfolio under this programme exceeded RUB 190 billion by the end of the year.

190

billion RUB

volume of the loan portfolio under the state aid programme of the Ministry of Agriculture of the Russian Federation

Share acquisition in Grain Terminal Complex Taman LLC

In 2020, Demetra Holding LLC (part of the VTB Group) acquired a 50% share in Taman Grain Terminal Holdings Limited, which owns 100% of Taman Grain Terminal Complex LLC. Grain Terminal Complex Taman LLC is the only specialised deepwater terminal handling grain for export at the port of Taman.

The further strategy of the shareholders of the grain complex envisages investments in the development and expansion of the terminal's throughput capacity, in particular by construction of a railway branch line allowing for the reception of grain cargo from rail transport.

SAMPLE VTB BANK PROJECTS AIMED AT AGRICULTURAL DEVELOPMENT

CUSTOMER	PROJECT DESCRIPTION	LINE OF CREDIT / CREDIT LIMIT, RUB BILLION
Ruspole Brands GC	Construction of Russia's largest canning plant for "Dyadya Vanya" brand products in Volzhsky	2.5
Construction of the Novy Cherepovets Greenhouse Complex LLC	Construction of a greenhouse complex for growing lettuce, cucumbers and tomatoes in the Volgda region, acquisition of production equipment and raw materials	1.5
Agrosemcentr GC	Expansion of the modern "Rostok" greenhouse complex production area in Volgograd with a total area of 5.9 hectares and a capacity up to 180 million seedlings per year	0.4

Supporting small and medium businesses (SMB)

In 2020, VTB Group companies made significant efforts to provide loan support to small and medium businesses. We continued to improve the quality of service: VTB Bank accelerated the introduction of new digital solutions for our customers. An absolute majority of settlement transactions at VTB became available to small and medium businesses remotely.

The overall number of active customers¹ in the medium and small business segment increased by over 25% over 2020 to 636 thousand.

The loan portfolio of VTB Bank's SMB customers grew by 12% in 2020 year-on-year to RUB 1.42 trillion.

In the total volume of the loan portfolio, the leading companies are companies in the field of trade, (12%), housing and commercial construction, real estate and building materials (10.5%), food processing and agriculture (9.4%), transport and infrastructure construction (5%).

In 2020, VTB Bank continued to actively participate in the implementation of government programmes, the number of active agreements under which on 1 January 2021 has exceeded 32 thousand. The loan portfolio of the medium and small business segment under concessional instruments increased 2.3 times compared to the same indicator in 2019 and exceeded RUB 476 billion. A significant volume of the portfolio is formed by Programme 1764², aimed at concessional lending to small and medium businesses, and Programme 1528³, designed to support the agricultural sector.

The aggregate loan value of these programmes in the VTB Bank portfolio amounted to RUB 327.3 billion. The total value of VTB's loans under state employment support programmes during the COVID-19 pandemic exceeded RUB 111.6 billion.

¹ Active SME customers are existing customers that have either non-zero net operating income over 12 months before the reporting date or have active salary project cards as of the reporting date.
² Decree of the Government of the Russian Federation No. 1764 dated 30 December 2018.
³ Decree of the Government of the Russian Federation No. 1528 dated 29 December 2016.

Loans for resuming entrepreneurial activity

In 2020, VTB Bank executed 21 thousand loan agreements with 2% per annum worth over RUB 92 billion under the state programme for lending for resumption of activities (Decree of the Government of the Russian Federation No. 696 dated 16 May 2020), supporting over a million jobs.

The state programme for lending for resuming activities was made effective on 1 June 2020 and is aimed at supporting the industries affected by the COVID-19 pandemic. If the number of employees remained over 90%, the loan debt under the programme would be subject to a full write-off. If the number of employees remained over 80%, the Bank reimbursed 50% of the borrower's debt.

The programme is implemented using the Federal Tax Service's digital platform based on blockchain technology, which provides programme participants with access to the necessary information services.

Among the customers supported by VTB Bank: Imperial Porcelain Factory JSC, State Academic Mariinsky Theater, Russian New University ANO VO, Mosigra Empire LLC, Yakitoria and Restostar restaurants, Bashavtotrans GUP, Baucentre Rus LLC, Electrotransport LLC, Ionessi shoe factory and others.

21

thousand

loan agreements at 2% per annum were issued under the state lending programme for the resumption of activities in 2020

Projects simplifying SMEs’ operations

Internet Bank

In six months of 2020, a completely new online bank was created from scratch for medium and small business customers on an omni-channel platform with a unique design, a basis for embedding products (some already available to existing customers), a universal marketplace, navigation system, and intelligent assistant, including communication with the customer.

VTB Business Lite

VTB has launched *VTB Business Lite*, a new mobile bank for remote banking services for entrepreneurs. The bank was named by *Markswebb* as one of the top 10 banks in 2020, with a customer score of 8 out of 10. *VTB Business Lite* is available on the *App Store*, *Google Play* and *AppGallery*. The application simplifies day-to-day operations while maintaining extensive functionality. *VTB Business Lite* provides the ability to issue invoices and make payments in a simplified form to legal entities and individuals or between accounts. For the convenience of customers, the one-off payment limits were increased to RUB 300,000.

VTB Cash Desk

VTB expanded its line of settlement services for medium and small businesses and launched a pilot *VTB Cash Desk* product. The product combines the functions of an online cash desk and acquiring terminal. The compact wireless smart terminal with an integrated barcode scanner accepts bank cards, prints sales receipts and sends data to the Federal Tax Service in real time. The equipment is provided to customers at no extra charge. The cost of connection within the product depends on the selected service plan. By the end of 2020, the service would be available in six Russian cities.

Cifra

VTB has launched *Cifra*, a digital accounting service for small and medium businesses. The service helps individual entrepreneurs fully automate accounting and tax records. The service includes the tools necessary for an individual entrepreneur to organize a full-fledged document flow. *Cifra* supports multi-bank, the user can manage multiple accounts opened in different banks. The service automatically uploads information about transactions, calculates and sends tax and other mandatory payments, forms declarations and other documents. In the live chat customers can get an accountant's advice on any issues related to the financial support of their business. VTB has also recently introduced the possibility for entrepreneurs to receive prompt assistance with legal issues.

VTB Business QR

VTB has developed *VTB Business QR*, a mobile app for all medium and small business customers, which allows entrepreneurs to accept QR-code payments through the *Faster Payments System* with a low fee, without the need for cards or terminals. In order to receive QR-code payments, entrepreneurs should have a current account with VTB Bank and install the *VTB Business QR* app on their smartphones; no additional equipment is required. Payments can be made instantly, as after registering with the app, users can conduct transactions online. For self-employed individual entrepreneurs, the functionality of the service also allows them to create and send a receipt to the customer, keep records of income from non-cash and cash transactions and create receipts for tax payments.

Digital Onboarding for VTB Factoring Customers

VTB Factoring has implemented an onboarding system that allows any customer system to be integrated with the GetFinance electronic document flow (EDF) system. The service is designed for representatives of medium and small businesses. The digital onboarding process involves identifying the customer and remotely entering into an online factoring agreement with them, as well as the launch of financing for paperless signing of notifications by debtors using the EDF systems. Thanks to the digitalisation of the remote onboarding process, any customer in the medium or small business segment, regardless of the size of the business or geography, can become a customer of VTB Factoring with only an authenticated electronic signature. This gives the Customer access to financing on competitive terms from VTB Group, as well as allowing them to use effective factoring solutions and technologies.

Special accounts

In 2020, in order to develop the *Special Accounts* business line, VTB implemented a service that allows the exchange of electronic documents between the customer and the Bank via the remote banking system as part of the procurement of goods/works/services in the format of electronic tenders.

Onboarding

In 2020, the Bank built a target customer pathway for onboarding (reserving and opening of the first and subsequent accounts of new customers) which, thanks to the unification of the Bank's IT landscape, became available to all customers. As part of onboarding, remote reservation of a current account on the Bank's website using minimal customer data was implemented, as well as an opportunity to open a current account for individual entrepreneurs in 20 minutes in the presence of the customer.



"Our strategic objectives are to support the economy of the country's regions, customer focus and development of digital products and services. Moving toward our goal of becoming the bank of first choice for our customers, we are improving our processes to make the full range of services available to entrepreneurs as much as possible and to meet all of their business development needs. VTB uses the best international and our own practices to develop and implement cutting-edge technological solutions, thus contributing to the growth of our customers' businesses".

Denis Bortnikov

Deputy President and Chairman of the Management Board, VTB Bank

VTB Bank actively promotes the development of regional small and medium-sized businesses. For example, in 2020 the Bank provided:

- Three lines of credit in the total amount of RUB 5.8 billion to Susumanzoloto JSC. The funds were used to implement gold mining plans and to build a mining and processing facility at the Verkhne-Alinskoye gold ore deposit in Zabaykalsky territory;
- Medium-term financing for the construction of a hotel and business compound in Petropavlovsk-Kamchatsky: two lines of credit worth RUB 2 billion were extended to Novy Dom LLC under the preferential lending programme (Programme 1764). The project value is RUB 5.5 billion;

- Financing for the purchase of a fishing vessel by Kamchattraflot LLC in the amount of RUB 460 million, the funds were granted for a period of five years;
- A line of credit for the Mir Remonta (World of Repair) company in the amount of RUB 580 million for a period of four years. Part of the funds will be used for the implementation of the investment project to preserve a cultural heritage site – the building of the *Molot* publishing house in the centre of Rostov-on-Don.

The VTB Group's subsidiary banks also provide support to companies in the countries and regions of operation:

- VTB Bank (Kazakhstan) and the leading operator on the telecommunications market of the Republic of Kazakhstan Ksell JSC signed an agreement on granting a credit limit of KZT 6 billion for a period of 36 months to the company;
- VTB Bank (Armenia) restructured 1.3 thousand corporate loans for AMD 400 million of deferred payments within the announced repayment holiday;
- VTB Bank (Georgia) granted a loan in the amount of GEL 670,000 to Georgian Fruits cooperative for the construction of a refrigerating facility in the village of Sakobo, Signaghi district.

Closer to Business information and educational portal

Closer to Business an Internet portal created by VTB, is aimed at providing information support to entrepreneurs. In 2020, the number of users on the portal increased 20 times, the number of new users amounted to 50 thousand people. The portal offers free online training from market professionals, a wide range of courses, business cases, webinars, expert articles, and e-library resources. Such activity of entrepreneurs confirms that the *Closer to Business* platform can act as an assistant and business mentor for both beginners and more experienced entrepreneurs.

VTB ACCELERATOR

VTB Accelerator is a platform for cooperation between technology start-ups and the Bank's business units, which select solutions that interest them and allow them to launch pilot projects. VTB specialists test innovative technologies and assess their maturity, potential business impact and opportunities for integration into the banking infrastructure.

In 2020, the second cycle of the VTB Accelerator was completed. At the request of the Bank's business units, 16 innovative solutions of technology start-ups were piloted. Twelve of them have begun testing their solutions at the Bank and another four are in the preparation stage. The selected pilots include facial recognition payment technologies, mobile electronic document signing technologies, HR services etc.

Results of the two sets of the VTB Accelerator

900+

startups have passed the examination

42

pilots launched

10

solutions launched or ready to be launched

27

pilots completed

40

VTB departments are interested in piloting the technology

VTB Bank launched biometrics and thermometry pilot project for campuses

In 2020, VTB launched a pilot project with the Moscow State University of Medicine and Dentistry named after A.Evdokimov. The pilot project includes the launch of a biometric and thermometric facial recognition system for students and teachers at the entrance to the university.

The pilot project is implemented jointly with *O.Vision*, a start-up, a participant of the VTB Accelerator, a Russian developer of contactless biometric devices and a facial recognition system based on computer vision and machine learning technologies.

The new technology is integrated into the building's access control system and solves several problems at

once: employee identification through a database and contactless temperature measurement, which has a positive impact on the epidemiological situation in the university.

Based on the results of the project's piloting, it is planned to launch the technology on a broad market. It will enable the development of a convenient and modern ecosystem for participants in campus projects. The service can be integrated not only into the pass system, but also into other systems, such as contactless payment for meals, parking, etc.

Accessibility of Financial Services

In 2020, VTB continued to implement projects to improve the accessibility of banking services to its customers of various categories.

In the reporting period, Group companies worked to develop networks of service offices, including in remote and sparsely populated areas, and to improve accessibility for people with disabilities. Financial literacy programme are also designed to improve the accessibility of financial services to various segments of the people.

Providing support to specific community groups

The development of VTB's retail business is one of the Group's top priorities. Individual customers form the largest share of the Group's customer base; financial services for this customer segment are particularly important because of their social orientation.

The VTB Group actively creates and implements projects that take account of the needs of specific community groups: students, the retired, beneficiaries of maternity capital, families with many children, civil servants, and military servicemen.

Campus Projects for Students

Under a strategic partnership agreement between VTB Bank and Moscow State Institute of International Relations (MGIMO) of the Russian Ministry of Foreign Affairs, undergraduate, graduate and postgraduate students have the opportunity to use the Student Social Card, developed jointly with the State Unitary Enterprise Moscow Social Register. This campus card has all the features of the usual bank card. In addition, it provides the holder with identification and access to the services of Moscow, as well as to the infrastructure and services of MGIMO.

VTB's Approach to Accessible Banking Services

- Accessibility of banking services to different segments of the people;
- Developing financial literacy;
- Territorial accessibility;
- Accessibility of services for people with disabilities;
- Improving the quality of banking services.

For many students this card could become the first banking instrument, thanks to which it will be possible not only to pay for purchases safely, quickly and comfortably, but also to learn to manage money wisely and plan their expenses. A similar campus project was launched for employees and students of Yaroslavl State University named after P. Demidov. In total, VTB attracted 175 thousand customers to its campus projects in 2020.

Comprehensive banking services for military personnel

In 2020, VTB Bank signed a cooperation agreement with the Federal Penitentiary Service of Russia (FPS of Russia). The main objectives of the agreement are to provide comprehensive banking services to the internal service's military personnel and the civilian staff of the FPS of Russia, including payroll projects. In addition, the document provides for joint work to improve the financial literacy of employees of the FPS of Russia, assistance in implementing social programmes, as well as support for family members of military personnel of the internal service who find themselves in difficult life situations.

VTB Bank is implementing a joint project with the Federal Bailiff Service (FBS of Russia) to automate the payment of military pensions. There are plans to scale this digital solution for use by other law enforcement agencies.

Car Loans

In 2020, VTB Bank was actively involved in the programmes of state subsidies for the purchase of new cars (the *First Car* and *Family Car* programmes). The total volume of loans issued under these programmes amounted to RUB 18.6 billion, which is more than two times higher than last year.

VTB Bank launched a number of services and products to help maximise the digitalisation of its car loan granting process. In particular, it is possible to apply for a car loan online on the Bank's website and on *VTB Online* with approval in a few minutes, an online display of partner cars on the Bank's website with the possibility of booking them; a pilot of digital transactions

for car loans was launched on the Bank's mobile app.

Specialised products for pensioners

In 2020, the number of pension cards issued by VTB Bank more than doubled compared to 2019 and amounted to 190 thousand cards. Customers who have their pension accruals with the Bank receive a 4% annual interest rate on the balance of their rouble account.

VTB Bank introduced an information portal on its website detailing the process of transferring pensions, product preferences and services for pensioners. We also developed a simplified interactive voice response menu (IVR), which made information support more effective for this category of customers.

In March 2020, more than 2.2 thousand pensioners, customers of VTB Pension Fund, received early payments under mandatory pension insurance. The decision to make early payments was made by the fund to support customers during the COVID-19 pandemic.

In order to increase the availability of remote services for pensioners in 2020, the VTB Pension Fund introduced an updated mobile application. This *VTB Non-State Pension Fund* (NPF) app allows users to sign non-state pension agreements, replenish their pension accounts without commission from any bank card, activate auto-payment, take part in the Non-State Pension Fund loyalty programme, compile account statements and order documents required for obtaining a social tax deduction.

Number of pension cards issued

688
thousand

pension cards in 2019

1900
thousand

pension cards in 2020

Providing socially important retail services

VTB considers improving the quality of life of its customers a priority in its operations. Socially significant projects implemented by the Group's companies are improved every year. VTB develops convenient and modern payment services, implements support measures for customers in difficult situations, offers innovative service formats and expands its mortgage product offerings.

RETAIL CUSTOMER SUPPORT DURING THE COVID-19 PANDEMIC

In 2020, due to the COVID-19 pandemic, many of the Bank's customers were faced with declining incomes. VTB developed a range of support measures to help such customers.

As part of VTB's *Skip Two Payments* campaign, more than 1.8 million VTB Bank credit card holders received a deferral of two minimum payments - in April and May 2020. To connect the programme the customer did not need to contact the Bank, the service was activated automatically.

In addition to the support measures provided to borrowers by the state under the law on a grace period¹, VTB launched its own repayment holiday programme. The Bank expanded the number of potential participants by increasing the maximum loan amount available to affected borrowers. VTB's programme was effective for customers whose average monthly income decreased by more than 30% compared to 2019. After the end of the repayment holiday period, the monthly payment on the mortgage, cash loan and car loan did not increase, only the term of the loan changed. The holidays were for three months. About 400 thousand customers took advantage of this programme during the COVID-19 pandemic.

¹ Federal Law No. 106-FZ dated 3 April 2020 "On Amendments to the Federal Law "On the Central Bank of the Russian Federation (Bank of Russia)" and certain legislative acts of the Russian Federation in terms of the specifics of changing the terms of a loan agreement, borrow agreement".

We also launched a programme of refinancing with deferred payments - the opportunity to skip up to the first three payments when transferring loans to VTB in the case when the customer's own bank did not provide repayment holiday.

In 2020, VTB Bank updated the *My Smart City* application. With the updated application, owners

of phones with the Android operating system can independently buy a travel ticket and put it on their *Troika* public transport cards. The technology developed by VTB Bank is completely contactless and easy to use, eliminating the need to stand in line at cash registers and increasing the safety of using public transportation. VTB also updated its content for users of smartphones powered by the iOS operating system with a new section called *City Navigator*, which allows Moscow residents to view information on nearby stops of public transport, build a convenient route, order a taxi and access information on urban infrastructure.



New format VTB branches

In 2020, VTB Bank announced the launch of a new branch format. Customers of these branches can make an appointment at a time that suits them and be served at any convenient office location. They can also identify themselves using their smartphones, receive video consultations and perform transactions using self-service machines. This reduces waiting times by a third and increases office efficiency by 40%.

The new offices are designed to provide personalised attention to the customer and the most comfortable experience at all stages of service.

Before visiting the branch, the customer can make an appointment for a convenient time via *WhatsApp* chat-bot – in this case the employees will prepare all the necessary documents for the customer's visit in advance. At the entrance to the office the customer is automatically identified by the phone's MAC-address (a unique identifier of each device with access to the network), receives a personal greeting and directions to the desired desk or meeting room directly on *WhatsApp* on their smartphone.

A VTB specialist conducts less routine operations and acts as an expert, helping to find the best solution for the customer's task and advising them on how to use online services.

A total of six branches of the new format were opened in 2020. Next year it is planned to open a number of other branches in different regions of the Russian Federation.

Bank cards with the ability to receive socially important services



VTB debit Multicard

In 2020, VTB relaunched its flagship product, the debit *Multicard*. Its issue and maintenance are now completely free. Customers receive up to 3% reward based on their chosen loyalty option. When ordering the *Multicard*, the customer can choose a physical carrier – an ordinary plastic or eco-card made from an ecological substitute to plastic.



Multicard with *Citycard* transport application

In late 2020, VTB launched a pilot *Multicard* with a *Citycard* transport application in Nizhny Novgorod Region. The new card combines the benefits of a debit card and a travel card. The transport application on *VTB Citycard Multicards* allows customers to pay for public transport using a travel pass that has been integrated into the bank card and transfer from one type of urban transport to another within 60 minutes, free of charge. Cardholders have access to 16 different types of travel passes, including ones with preferential terms. Holders of the *VTB Citycard Multicard* also have access to all the benefits of the Bank's debit card, such as the choice of loyalty programme: cashback, bonuses, miles or higher interest rates on savings. Card maintenance is totally free of charge for all customers.



The Primorets Card

In 2020, VTB joined the social project of the Government of the Primorsky Territory to issue the *Primorets* card, designed for eligible customers. In addition to the full range of benefits offered by the social card, the *Primorets* card offers additional benefits. For example, when paying for purchases, holders of the *Primorets* social card receive up to a 30% discount in networks of trade outlets, pharmacies and clinics that are partners in the programme. VTB Bank offers cashback on purchases and accrues bonuses that the cardholder can spend on goods, services, airline tickets or choose increased interest on deposits or a reduced rate on a loan.



Mir bank cards on the Moscow Metro

On the basis of its own payment solutions, VTB Bank ensured a campaign of the *Mir* payment system aimed at providing discounts to passengers of the Moscow Metro and the Moscow Central Ring who pay fares at the turnstiles with contactless *Mir* cards or the *Mir Pay* payment application. Holders of contactless cards *Mir* were able to pay fares with a discount of 10 roubles per trip.

Support for home buyers



"The final issuance of mortgage loans in 2020 was even higher than we expected, amounting to a record RUB 4.2 trillion for the Russian market. VTB also demonstrated the largest result in its history, issuing mortgages worth nearly RUB 1 trillion. This growth was facilitated by business digitalisation in the COVID-19 pandemic and lower rates, and a preferential state programme. We are proud that VTB is helping more and more families improve their housing conditions".

Anatoly Pechatnikov

Deputy President and Chairman of the Management Board, VTB Bank

In order to improve the affordability of housing and improve living standards, VTB Group actively develops mortgage lending, and is one of the leaders with a market share of over 23% in the Russian Federation. VTB is a strategic partner for a number of major real estate developers in Russia.

In 2020, VTB Group provided 354 thousand mortgage loans worth a total of RUB 935 billion. This is the largest result in the history of VTB, which is almost 38% higher than in 2019. The Group's mortgage loan portfolio increased by 18% over the year, reaching RUB 2 trillion.

In 2020, VTB Bank was the first bank in Russia to launch a government programme to subsidize mortgage lending, which aimed to support the industry and citizens in the crisis associated with the COVID-19

pandemic. The mortgage interest rate under this programme was 6.1% (in September 2020). In total, more than 63 thousand loans worth about RUB 198 billion were issued under these conditions in 2020.

VTB Bank also reduced the rate on mortgage loans under the government subsidy programme for customers purchasing real estate in the Far East (Far Eastern Mortgage) from 2% to 1%. After the rate reduction, the demand for concessional loans under this programme increased 2.5 times. The leading regions in terms of the volume of contracts signed are Primorsky territory (RUB 5.6 billion), Khabarovsk territory (RUB 2.29 billion) and the Republic of Sakha (Yakutia) (RUB 2.26 billion).

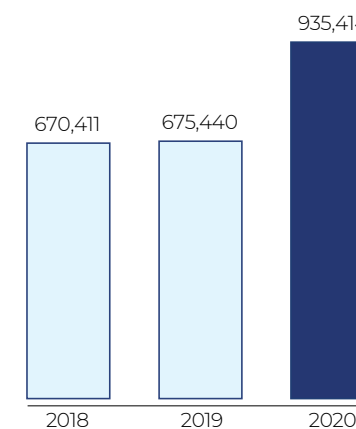
In 2020, VTB Bank continued to increase the availability of mortgages to certain community groups, in particular:

- About 1 thousand members of the military used the service of concessional lending, the total amount of issued loans amounted to RUB 1.9 billion;
- More than 10 thousand recipients of maternity capital were able to use it to improve their housing conditions. In 2020, VTB introduced an option for this group of borrowers to receive a mortgage loan without a down payment, provided that the amount of maternity capital is at least 15% of the housing price.

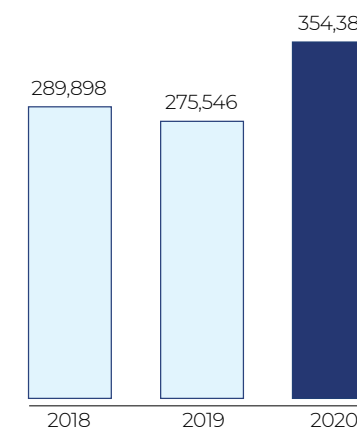
In 2020, VTB Bank launched its own mortgage programme to support families with children. Under this programme, customers who have a second or subsequent child born after 1 January 2020, when buying an apartment, can receive a discount of 1% of the base rate of the Bank. Preferential terms of the programme are available to customers with children when buying apartments in both the secondary and primary markets. This programme was launched for those customers who could not take advantage of the state programme "Mortgage with state support for families with children". As part of the programme, VTB issued almost 2 thousand loans worth a total of RUB 5 billion.

DYNAMICS OF MORTGAGE LENDING AT VTB BANK, 2018–2020

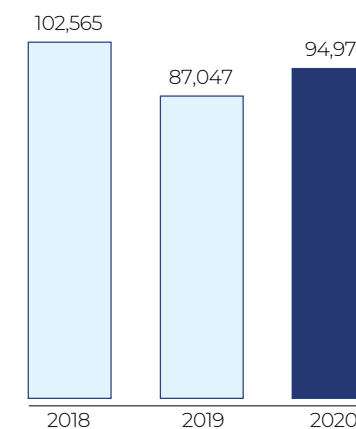
MORTGAGE LOANS ISSUED, RUB MILLION



NUMBER OF MORTGAGE LOANS ISSUED



NUMBER OF MORTGAGE LOANS ISSUED TO PURCHASE HOMES IN NEW DEVELOPMENTS



In 2020, VTB Bank actively continued to digitalise its mortgage products. Customers from all over Russia were able to apply for a mortgage loan remotely. The share of remote applications grew from 5% in 2019 to 20% in 2020.

VTB together with the real estate ecosystem *Square Metre* has developed a service of electronic registration of mortgage transactions. This service allows you to conduct a transaction without visiting multifunctional centres providing state services and the Federal Service for State Registration, Cadastre and Cartography (hereinafter – Rosreestr). All documents are drawn up remotely, signed using an enhanced qualified electronic signature, and transmitted to Rosreestr. The piloting of the new technology was successfully carried out in 31 regions of Russia that account for about 70% of all mortgage transactions with completed properties.

In addition, a Secure Settlement Service was developed for the Bank's customers and partners, which does not require signing a contract on paper and a visit to the Bank.

Online mortgage lending transactions

VTB Bank together with the PIK Group of companies performed the first online mortgage loan granting in Russia. The pilot transaction took place in Moscow in April 2020: the customer remotely purchased real estate in the Sheremetevsky complex of the PIK Group of companies.

The process of obtaining a mortgage loan launched by VTB Bank is fully digital and does not require a visit to the Bank's office. You can apply for a mortgage on the developer's website. After it is approved by the Bank, the customer signs all documents remotely using the reinforced qualified electronic signature issued by the certification centre. The transaction is settled online through the Secure Settlement Service.

In 2020, the number of developers from whom it is possible to get an online mortgage is increased to 20. At the end of the year, 1.5 thousand loans were completed online.

1.9
billion RUB

volume of issued mortgage loans to military personnel

Financial literacy

VTB Group considers it essential to improve financial literacy among the population. Ensuring that people have the knowledge and skills necessary to make informed and effective decisions on various aspects of personal financial management, such as savings, investment, property, insurance, tax and pension planning, has a significant impact on their quality of life.

In 2020, the Bank launched a number of initiatives aimed at improving financial literacy among various community groups.

VTB is also involved in partnership projects. In particular, VTB is a member of the Association for Development of Financial Literacy (ADFL). The ADFL is responsible for the scaling up of successful financial literacy initiatives, as well as supporting, coordinating and training volunteers in this area. In 2020, VTB Bank participated in events organised by the ADFL, including the *Digital Week of Financial Literacy* in the regions of Russia, the Moscow International Salon of Education, the final stage of the 6th All-Russian Congress of Financial Education Volunteers, etc.



Projects to Improve Financial Literacy

- ✓

Joint events with the Moscow City Department of Education and Science (the *I am an Entrepreneur* master game, lectures on financial literacy for students in grades 9-11 on the topics "Skills for the Future" and "Scammers in the Digital World", participation in the *Financial Cyberliteracy* educational project);
- ✓

Webinars on financial literacy for students of Moscow Agricultural Academy named after K.Timiryazev and MGIMO;
- ✓

A series of webinars for employees of the Moscow healthcare system;
- ✓

Pilot release of the *Monetary Statute* training material together with the Ministry of Defense of the Russian Federation to improve financial literacy of military personnel;
- ✓

A VTB representative participated in five broadcasts of the economic block of the *Rules of Life* TV programme on the "Russia-K" TV channel dedicated to financial literacy;
- ✓

A textbook for students in grades 10-11 entitled *Financial Literacy. The Digital World* (more than 8 thousand copies sold).

Expanding the geographic footprint

The VTB Group is increasing the number of sales offices in the countries and regions where it operates, expanding the network of ATMs and striving to improve the quality of its products and services for all customers, regardless of the remoteness of the region or the capabilities of the customer. During the COVID-19 pandemic, the role of remote banking services increased significantly. In 2020, VTB paid particular attention to the digitalisation of its products.

In 2020, VTB continued to provide services to retail customers in Russia, Azerbaijan, Armenia, Belarus, Georgia, Kazakhstan, Germany, and Austria. The Group operates a total of 1,711 sales offices 📍, 91% of which are located in Russia.

One of the key goals of customer service is to increase the accessibility of financial services to people living in small or distant locations.

In 2020, the VTB Group operated 17 thousand ATMs across Russia.

Increased accessibility of banking services for people with disabilities

The VTB Group strives to provide equal access to its services for all customers. To this end, VTB introduces technology for people with disabilities into its digital products, and also equips its branches with the necessary infrastructure.

ADAPTING PRODUCTS AND SERVICES FOR THE BLIND AND VISUALLY IMPAIRED CUSTOMERS

VTB strives to take into account the special needs of blind and visually impaired customers. In 2020, VTB Bank adapted *VTB Online* mobile bank for this category of customers. To make it really convenient for such customers to use *VTB Online*, blind specialists were invited to the development team. Registration and login, the main page, as well as most of the operations in the *Transfers* and *Payments* sections have become fully available to users of the service. This is only the first stage of *VTB Online*'s adaptation for this customer category. In the future, there are plans to expand the range of available operations. By the end of 2022, VTB intends to make the majority of its digital channels available to customers with motor disorders, visual impairments and dyslexia.

In 2020, VTB Bank also developed a special interface for ATMs designed to service people with visual impairments. Not only VTB customers can use it, but also customers of other banks. The implemented interface contains all the necessary menu items and the text is written in large white letters on a black background. This functionality is available at over 7 thousand VTB ATMs across Russia. The Bank plans to continue developing functionality for the visually impaired across its network of ATMs in line with customer needs and recommendations.

Number of Group sales offices in 2018–2020 📍

SALES OFFICES	2018	2019	2020
In Russia	1,791	1,815	1,711
· including underpopulated and economically underdeveloped regions	290	289	271
Outside Russia	183	177	160

DEVELOPING INFRASTRUCTURE TO IMPROVE ACCESSIBILITY OF THE BANK'S OFFICES FOR PEOPLE WITH DISABILITIES

VTB Bank strives to equip its branches with ramps and other equipment to make it easier for people with disabilities and elderly customers to access its services. At present 55% of the Bank's branch network (749 branches) have the necessary infrastructure. By 2023, VTB Bank plans to provide 100% of its branches with the necessary equipment.

Subsidiary banks within the VTB Group also take initiatives to make it easier for people with disabilities to interact with the Bank. For example, in 2020 VTB Bank (Armenia) installed 12 additional ATMs with Braille capabilities; VTB Bank (Kazakhstan) opened four additional offices with specialised equipment.



with interfaces for the visually impaired



users per minute - load of *VTB Online* application

Improving the quality of banking services

In 2020, restrictions imposed by the COVID-19 pandemic made remote banking services even more popular. VTB Bank actively implemented new digital services for retail and business customers. In the first half of 2020, VTB ranked second among the three leaders in the top 50 Russian banks in terms of digitalisation, as compiled by the Skolkovo Foundation and *VR_Bank* company.

In particular, in 2020 the Bank implemented new digital tools for working with customers:

- The procedure for accepting new customers for servicing was simplified through the use of remote service delivery channels and integration of banking systems with government sources of information. The new technology made it possible to reduce the time for opening accounts without requesting documents from customers;
- Verification of new (potential) customers has become faster – decisions are made literally in seconds without the involvement of the Bank's employees. The Bank also eliminated the need for corporate customers to visit the Bank's offices for an interview, which also accelerated acceptance for service;
- Updating identification information has also become possible without customers visiting the Bank's offices: information and documents can be submitted electronically using remote banking software.

VTB Group subsidiaries are also working on digitalisation and the development of remote services.

VTB Bank (Belarus) launched an updated version of its VTB mBank mobile application for individuals. Now you can become a customer of the Bank without visiting the office by registering on the website. The new version of the service VTB mBank implemented the possibility of registration using the interbank system of identification. Thanks to this new customers are able to access most banking services online.

VTB Bank (Kazakhstan) updated the VTB Business Online internet banking system for legal entities: its functionality was expanded and a number of services were improved. In addition, the Bank was one of the first on the market of the Republic of Kazakhstan to offer Kazakhstani entrepreneurs the opportunity to open a current account with the Bank remotely in one day, without visits to the office and meetings with Bank representatives. The service is available in 17 major cities of the Republic of Kazakhstan.

VTB Bank (Belarus) introduced an innovative service for legal entities, which allows them to accept payments for goods and services using QR codes. The Bank annually upgrades Internet and mobile banking, in 2020 online deposit services were added, the possibility of filing online applications for documentary services appeared. The Bank also implemented non-banking services *Register Your Business Now*, *"Personal Lawyer for Business, Online Accounting*, which provides access to the most demanded services for businesses in one place.

Digital solutions for VTB's retail customers

New *VTB Online*

In 2020, VTB launched a completely new mobile Internet bank for its customers. The new *VTB Online* is now twice as fast, with a login speed of only 2-3 seconds and a 10-fold reduction in interface response time. The speed of payment and transfer operations has also doubled. Switching between sections is now instant, within one second.

The load limit for using *VTB Online* has tripled. Now the application can handle up to 130 thousand users per minute, and in the future, up to 400 thousand simultaneous sessions.

The application has become even more secure for customers. Additional protection against social engineering was implemented, monitoring over remote management of customer devices was expanded. Phishing is detected and blocked within a record-short time frame of just 24 hours.

More than 50 new functions have been added to *VTB Online*. Customers can withdraw money from VTB ATMs without a card using a QR code, sort all their spending by category, create savings targets, transfer currencies to other VTB customers, apply for digital credit cards and much more.

The number of active *VTB Online* users exceeded 10.1 million in 2020. The annual growth in users amounted to 25%. In 2020, 59% of deposits, 56% of savings accounts and 25% of consumer loans were issued through *VTB Online*.

Improvements to *VTB Mobile*

In 2020, the *VTB Mobile* operator became available to all retail branches of VTB Bank in Moscow and St. Petersburg (including the Vozrozhdenie Bank network). In 2020, remote signing of contracts with SIM card delivery became available for *VTB Mobile* users, as well as remote eSIM connection and extended customer support through *VTB Online Chat*. Over the year, *VTB Mobile* subscriber base increased from 4 thousand to 289 thousand people.

VTB My Investments application update

VTB Capital Investment released an updated version of *VTB My Investments* mobile application. The new version has an improved design and expanded functionality for analysing investment portfolios. The portfolio structure was visualised by asset groups, sectors, countries and currencies. The full composition of the portfolio can also be viewed broken down by agreement with an indication of the share of a particular asset in the portfolio. Dividend histories and planned payouts are now available for all foreign stocks.

Over 260 thousand people are active users of *VTB My Investments* daily. In 2020, *VTB My Investments* saw five-fold growth in its user base.

Customer satisfaction assessment

VTB strives to constantly improve the quality of its work and customer service for all customer groups. For this reason the Group's banks carry out annual research to assess customer satisfaction with the service provided across branches. An independent assessment of retail customer loyalty, which included over 11 thousand interviews, ranked VTB Bank among the top five Russian retail banking institutions.

VTB Bank continues to actively improve its system for regularly assessing the quality of customer experience. Monitoring is carried out at 35 different touchpoints. Over 10 thousand VTB customers have the opportunity to provide detailed feedback on the quality of VTB customer service and offer suggestions for its improvement.

In 2020, VTB Bank introduced a system of Key Performance Indicators (KPIs) for the quality of all customer service channels in the Retail business. The target

KPI system applies to all levels of employees in the Retail Business segment, from business line management to individual contributors at sales offices and the contact centre.

The network's branches hold regular events that include sharing best practices in customer service, as well as *Service Weeks* to work through the most problematic areas.

In 2020, the frequency of interaction with customers in order to receive feedback on the Bank's work increased. 19 service satisfaction surveys were conducted, 16 of which were for retail customers, two for SMBs and one for large corporate customers. The surveys were designed to measure customer loyalty and satisfaction both when interacting with the Bank across different channels and when using its product services.

VTB Group banks also conduct customer satisfaction surveys, which aim to maximise customer satisfaction. For example, at VTB Bank (Armenia) customer satisfaction stood at 9.42 out of possible 10 points by the end of 2020.

111
thousand interviews

on measuring retail customer loyalty

The VTB Contact Centre was recognised as one of the best in Europe

On 16 March 2021, a grand ceremony announcing and awarding the winners of the European Contact Centre & Customer Service Awards (ECCCSA) international nomination programme was held in London. The VTB Contact Centre surpassed all of its Russian competitors and won in two nominations. Second place was awarded in the most prestigious category *Contact Centre of the Year (large)*. The VTB Bank privileged customer service team came third in Europe in the category *Best Large Customer Service Team*.

The VTB team received eight awards at the *Crystal Headset Contact Centre Industry Contest*

The VTB Contact Centre was highly praised by the jury in the *Best Contact Centre* category (over 500 people). In a challenging 2020, the Bank received a record number of inquiries – over 58 million, improved the quality and efficiency of customer service, expanded the interactive voice menu, and implemented speech analytics.

The team of the Quality Control Unit of the Customer Service Department won in the *Best Quality Control and Assessment Team* category. The team developed customer service rules called *Cosmos* and taught operators to do more than they are formally required to do when dealing with customer issues. With the implementation of these rules, the speed of resolving issues has increased (the average dialogue time with a customer is 35 seconds less than market best practices); 87% of customer issues are resolved in one call, 2% higher than market best practices; and 85% of customer evaluations are 4-5 on a five-point scale.



Increasing the Security of Financial Services

Measures to improve the security of financial services

Creation of the Security Testing Service

In the course of reorganisation of the Bank's Security Department, a new functional area was created within its structure, which performs such special tasks as penetration testing of the Bank's infrastructure, analysis of vulnerabilities in the Bank's infrastructure objects, analysis of vulnerabilities in the applied software, organisation of vulnerability management, security testing and control of security of third-party components used in the production of the Bank's technological products within the scope of its competence.

Conducting inspections

Ten VTB Group companies were inspected to examine how they deal with current threats associated with the risks of targeted attacks using viral software.

Software update

Continuous software updates and maintenance of self-service devices are organised and carried out.

Blocking phishing websites

Measures are taken on a daily basis to timely identify and block phishing sites and counter calls to customers from spoofed phone numbers.

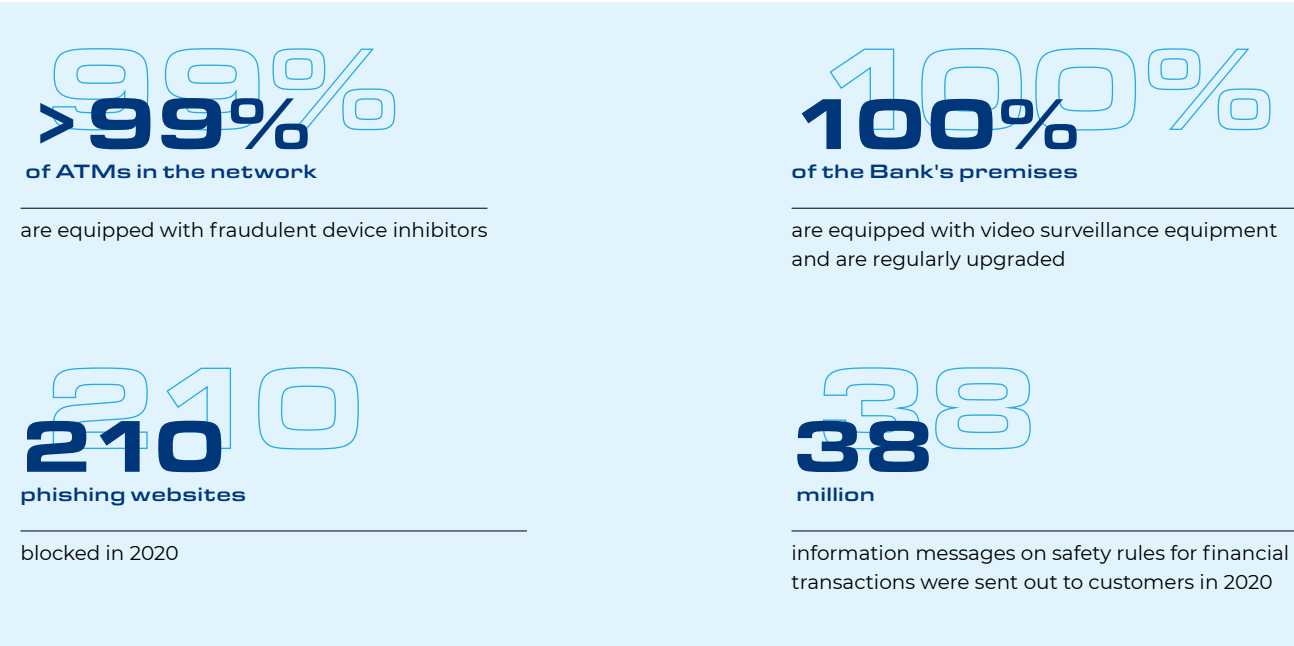
Interaction with law-enforcement authorities

Interaction with law-enforcement authorities was arranged in order to resolve issues requiring prompt response to unlawful actions committed by malefactors. Based on statements by employees of the Bank's Security Department, more than 200 criminal cases were initiated to investigate unlawful acts of thefts of the Bank and its customers' funds, disclosure of banking secrets, etc.

Informing Customers

The Bank continuously informs its customers about security measures when carrying out financial transactions, including when using bank cards and the *VTB Online* remote banking system.

Information about the most common types and methods of fraud is communicated to customers in various ways, including posting it on information stands at the Bank's branches, on the Bank's official website, on information screens of self-service machines, as well as by sending relevant information via SMS and email. In particular, the Memo to customers on financial security, information about the most commonly used fraud schemes is posted on the Bank's official website in the *Security* section at <https://www.vtb.ru/bezopasnost/>.



WE
connect

VTB – Equity Fund. Responsible Investment launched by VTB has raised over 500 million roubles in new customer funds.

INVESTORS

TO

ESG-responsible

COMPANIES



RESPONSIBLE INVESTMENT

VTB CAPITAL INVESTMENTS CONSISTENTLY IMPLEMENTS THE PRINCIPLES OF RESPONSIBLE INVESTMENT. THIS INVESTMENT APPROACH TAKES INTO ACCOUNT NOT ONLY FINANCIAL, BUT ALSO ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS IN THE INVESTMENT DECISION-MAKING PROCESS.



"Investments are an increasingly popular way for individuals to save and grow their wealth. We have seen a significant influx of investors into the market and would like to allow them to invest responsibly and follow global ESG practices. Companies that meet ESG metrics are attracting more and more attention from investors worldwide, and we are confident that this approach will also be in demand in Russia. It is important for both our investors and us that investments do not just perform financially, but work for the benefit of all stakeholders including employees and society as a whole".

Vladimir Potapov

VTB Capital Investments Chief Executive Officer, Senior Vice President, VTB Bank

Issues Regarding Social and Green Bonds by Russian Railways OJSC

In 2020, VTB Capital acted as one of the organizers of a RUB 100 billion placement of Russian Railways OJSC green perpetual bonds.

The transaction was the first market placement of green bonds in Russia for a state corporate borrower with the highest credit quality. In addition, the transaction was the largest rouble-denominated bond placement in Russia and the CIS, and the largest perpetual bond issue by a corporate issuer in the CIS, Eastern Europe and the Middle East. Cash proceeds from the placement of the bonds will be used to finance green projects of *Russian Railways*.

The bond issue was recognised by the Expert RA rating agency as compliant with the Green Bond Principles of the International Capital Markets Association and the Russian national methodology developed under the guidance of VEB.RF.

VTB Capital also acted as a co-organiser of a CHF 250 million six-year green bond placement by *Russian Railways*. This placement was the first issue of Swiss francs in the green format among issuers in the CEEMEA region, within the framework of which it was possible to achieve the the lowest coupon rate in the history of the placement of Russian Railways Eurobonds in different currencies. The proceeds from the placement are to be used by *Russian Railways* to finance green projects, including the purchase of electric trains.

VTB Capital also acted as a co-organiser in the placement of Russia's first ever social Eurobonds of *Russian Railways* in the amount of RUB 25 billion, maturing in March 2028. This was the longest ever public placement of Eurobonds denominated in Russian roubles by a Russian issuer. The proceeds from the Eurobond placement will be used to finance and refinance expenses related to the implementation of the Company's social projects. The issue was prepared in accordance with the Social bond principles, International Capital Markets Association. The confirmation of compliance for *Russian Railways* is provided by Sustainalytics.



Management of Largest Endowments in Socially Significant Spheres of Society Development

VTB Capital Investments is the market leader in endowment fund trust management services, with over RUB 11 billion under management.

The company successfully invests special-purpose capital funds of the country's largest endowments in education, culture and art, science, non-professional sports and other critical areas of community development. VTB Capital Asset Management JSC has the largest endowment pool in Russia under management with over RUB 11 billion, including the Special endowment fund for Support and Development of Skolkovo Institute of Science and Technology, the State Tretyakov Gallery Support Fund, as well as endowments at major universities (MGIMO, St. Petersburg State University, HSE, Law Enforcement Academy, Plekhanov Russian University of Economics, Financial University under the Government of the Russian Federation, etc.) and a number of other socially important funds.

VTB currently manages 76 funds in seven federal districts of the Russian Federation. VTB Capital Investment representatives are actively involved in developing the institution of endowment funds, designing legislation and communicating with the professional community.

Investment Programme with an Embedded Charity

In 2020, VTB Capital Investments launched a programme with an embedded charity, under which the management company will allocate 20% of the asset management fees of the *VTB Gold Open-end mutual fund* to the *Old Age in Joy* charity fund.

The *Old Age in Joy* charity fund has been operating since 2011. The foundation's strategic goal is to build a system of assistance in Russia that will be available to every elderly person who finds themselves in a difficult life situation. Currently, the *Old Age in Joy* charity fund supervises more than 350 nursing homes and psycho-neurological residential institutions across Russia. VTB has been providing charitable and volunteer support to the fund since 2017.

During 2020 when the programme with embedded charity was in operation, VTB Capital Investments transferred more than RUB 4 million to the *Old Age in Joy* charity fund. The funds were used to provide medicines and non-contact thermometers to three nursing homes for the elderly and disabled, to pay additional employees for the care and recreation of boarders, and to buy Christmas presents.

In addition, in 2020 VTB Capital Investments agreed the practice of allocating one-time assistance upon request for charitable fund projects from the management company's fee for managing the investment fund, and supported the *Help me do it myself!* project of the *Different Kids* (charitable fund a charity fund helping children from boarding schools, children with Down syndrome and children with disabilities).

In the future, VTB Capital Investments plans to launch new embedded charity programmes, and it aims to expand cooperation with other charity funds.

ESG Funds

In 2020, VTB Capital Investments was the first company in Russia to launch two open investment funds (OIF) for responsible investment. When managing assets, along with traditional fundamental indicators, ESG factors are taken into account: ecology, social responsibility and corporate governance. VTB Capital Investments offers its customers two such funds for investments in equity and bonds of Russian companies.

VTB Bond Fund. Responsible investments
[for conservative investors]

STRATEGY

The fund's strategy aims to invest in corporate bonds of Russian is-suers whose environmental, social and governance factors have been in-tegrated into the production process, with a focus on safeguarding invest-ed capital.

Investment object:
bonds of Russian issuers

Risk Assessment:
low

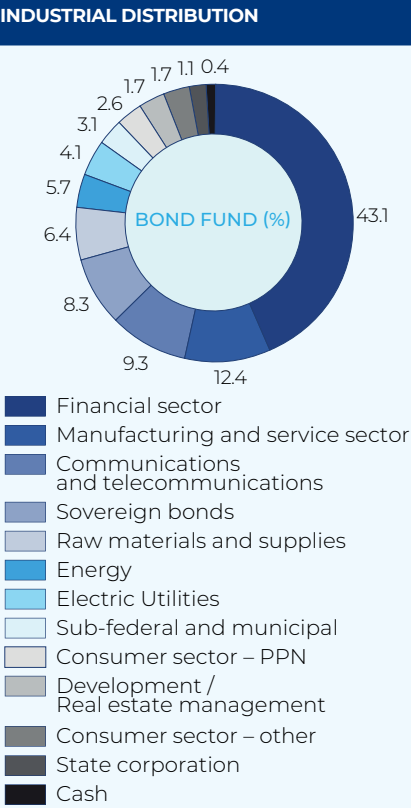
Minimum amount of investment:
RUB 1,000

Net asset value of VTB Bond Fund.
Responsible investments:
RUB 415 million

KEY PORTFOLIO PARAMETERS	
Weighted average yield to maturity	5.9%
Weighted average duration	2 years
Weighted average credit rating	BB+

- RESPONSIBLE INVESTMENT FACTORS**
- Investing in securities of companies with the highest environmental and energy efficiency;
 - Improving the credit profile of companies by attracting financing for green projects on more favorable terms than the market average;
 - Direct environmental impact of investments.

- CLASSIC PORTFOLIO MANAGEMENT**
- Active management in terms of interest rate and credit risks;
 - Analysis of current macroeconomic processes in Russia and worldwide, credit analysis of issuers;
 - Improvement of risk/return ratio through credit expertise and duration management;
 - Wide diversification of credit risk by issuers.



VTB Equity Fund. Responsible investments
[for aggressive investors]

STRATEGY

The fund strategy is aimed at long-term capital growth by investing into equity of Russian issuers, which have high growth potential and at the same time have been analysed and meet ESG criteria.

Investment object:
equity of Russian issuers

Risk assessment:
high

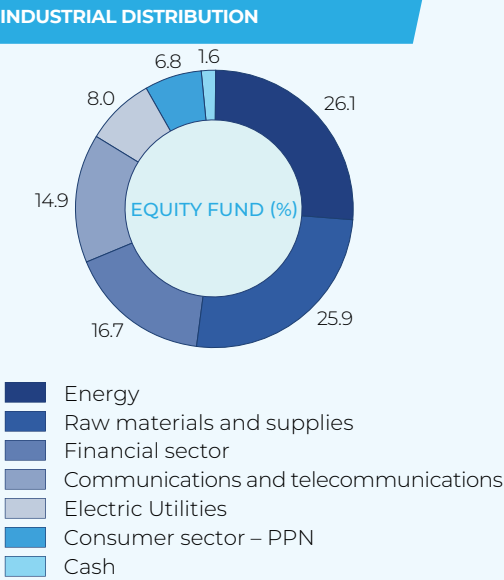
Minimum amount of investment:
RUB 1,000

Net asset value of VTB Equity Fund.
Responsible Investments:
RUB 280 million

TOP 5 SECURITIES IN THE PORTFOLIO (SHARES, %)	
Sberbank PJSC	10.8
Gazprom PJSC	7.5
YNDX RX Equity	5.9
Novatek PJSC	5.2
LUKOIL PJSC	4.9

- RESPONSIBLE INVESTMENT FACTORS**
- The financial indicators are adjusted for the expected impact of ESG factors;
 - Qualitative analysis of ESG factors;
 - Data from in-house and independent research is used;
 - Comprehensive assessment of ESG factors for each company in the portfolio;
 - Weighting of securities may be adjusted upward or downward.

- CLASSIC PORTFOLIO MANAGEMENT**
- Focus on highly liquid, undervalued equity of Russian companies;
 - Analysis of companies based on proprietary financial models;
 - Regular review of portfolio assets to reflect changing market conditions;
 - On a quest for new ideas (meetings with company management, visits to production sites and industry events).



WE
connect

In 2019-2020, VTB Bank financed the construction of **solar power plants** in Astrakhan and Transbaikal with a capacity of more than **200 MW** as well as **wind farms** in the Rostov region with a capacity of more than **300 MW**.

GREEN
energy

TO
**efficient
financial**

SOLUTIONS



ENVIRONMENTAL IMPACT MANAGEMENT

ENVIRONMENTAL FRIENDLINESS IS AN IMPORTANT ELEMENT OF VTB GROUP'S CORPORATE PHILOSOPHY. GROUP COMPANIES REDUCE THEIR NEGATIVE IMPACT ON THE ENVIRONMENT THROUGH GREEN FINANCING WITHIN THEIR OPERATIONS, BY TAKING MEASURES TO IMPROVE THE ENVIRONMENTAL EFFICIENCY OF THE BUSINESS AND ADMINISTRATIVE COMPLEX AND BY PROVIDING FINANCIAL SUPPORT FOR PROJECTS TO PRESERVE RUSSIA'S BIODIVERSITY.



"VTB Group adheres to the principles of environmental responsibility in all its activities. For us, this primarily means reducing our own impact on the environment by introducing innovative technologies that increase the energy efficiency of our offices, reduce resource consumption and reduce the amount of waste produced. In our work with customers, we also take into account the environmental impact; environmental safety is a priority in any project we finance".

Oleg Knyazev

Head of the Administrative Department, Senior Vice President

Key priority areas

1

Green Banking:

- Financing green projects;
- Environmental initiatives for retail customers.

2

Improving inherent environmental performance:

- Green office;
- Waste recycling;
- Paperless document flow.

3

VTB's environmental partner projects:

- Participation in the work of the Arctic Council;
- Supporting the implementation of the national *Ecology* project;
- Partner projects in the field of ecology.



Green Financing

Recognising the importance of financial institutions' involvement in the creation of a low-carbon economy, VTB actively implements the principles of responsible financing in its operations and provides financial support to projects that meet the Bank's environmental requirements.

As part of green financing, the Bank strives to provide loans to implement projects improving environmental indicators, reducing natural resource consumption, and promoting the use of renewable energy sources. In addition, VTB engages its retail customers in environmental initiatives.

Financing green industries

One of the key areas of VTB's green financing is its strategy for financing innovative projects in the Russian energy sector aimed at reducing carbon emissions and supporting the implementation of modern technology solutions.

A WIND POWER PLANT IN THE ROSTOV REGION

In 2020, VTB provided syndicated financing for the project company of the Wind Power Development Fund, a joint investment fund created by Fortum PJCS and ROSNANO JSC on a parity basis.

The project will result in construction of a wind power plant with total capacity of 100 MW. The project is implemented on the principles of project financing and assumes the provision of credit funds against a guarantee of future cash flows under contracts for the provision of capacity of generating facilities operating on the basis of the use of renewable energy sources.

UPGRADE OF A HYDROELECTRIC PLANT IN THE REPUBLIC OF TATARSTAN

In 2019, VTB Bank and Tatenergo JSC signed the largest credit agreement in the history of the company for a total amount of RUB 36 billion for a period of 16 years. The financing will be used to implement a project to upgrade the Zainskaya hydroelectric power plant, a key facility of the energy infrastructure of the Republic of Tatarstan.

36
billion RUB

allocated for the upgrade of one of the largest hydroelectric power plants in Russia

The Zainskaya hydroelectric power plant will be renovated through the construction of the most powerful combined-cycle plant in Russia, manufactured by General Electric, with a total capacity of 858 MW and unprecedented operational efficiency - the efficiency factor will be 65%.

GARBAGE COLLECTION AND RECYCLING IN ST. PETERSBURG AND THE LENINGRAD REGION

In 2019 VTB Group, the Government of St. Petersburg, the Government of the Leningrad Region and Inter RAO PJSC entered into an agreement of intent to jointly address the issue of waste management and recycling in the two constituent entities of the Russian Federation.

Joint actions of the parties under the agreement will be aimed at implementing the concept of organising waste collection, transportation and recycling with the use of modern technologies in waste recycling. The project implementation meets the requirements of the national *Ecology* project and will help to improve the ecological situation on the territory of the regions.

Making environmental claims in project financing

«VTB Group adheres to principles of managerial, social and environmental responsibility in the implementation of infrastructure projects, which reflect our commitment to our customers, partners and society. The principles of responsible investments oriented towards achieving sustainability goals have been firmly embedded in the infrastructure market since this approach was adopted in our projects in the early 2010s».

Oleg Pankratov
CEO of VTB Infrastructure Holding

During the concept creation stage, we study environmental impact mitigation issues and assess not only the direct effects of a project, but also the indirect ones, such as projected tax revenues, job creation, improved quality of life, territorial development and improved environmental standards.

Obligations of project companies to hold public hearings and regularly monitor and report on environmental and social issues are an important condition for the financing of VTB infrastructure projects.

ENVIRONMENTAL IMPACT OF VTB'S INFRASTRUCTURE PROJECTS

Pulkovo Airport



Separate waste collection at the passenger terminal and offices since 2012

Weekly waste paper collection:

119 tonnes of waste paper collected and sent for recycling in 2014-2019;

2,023 trees saved;

5 million kW of electricity savings;

3.million litres of water savings;

3 tonnes of pollutant emissions prevented

Upgrade of treatment plants to treat surface airfield runoff, totaling **RUB 1.5 billion**

Western High-Speed Diameter in St. Petersburg



Regular greenspace expansion and garbage removal

Compensation measures:

~150 thousand small fries released for reproduction of aquatic biological resources, tree planting on Yelagin island;

82 treatment plants of different configurations, noise protection screens;

>75 thousands per day – reduction in fuel use;

>170 tonnes per day – reduction of CO₂ emissions

Annual industrial ecological monitoring of the negative environmental impact of the facility

Annual hydromorphometric observation of water bodies and their water conservation zones

Monitoring of wildlife (avifauna and ichthyofauna) and aquatic biological resources

Eastern exit from Ufa



Natural air monitoring involving accredited laboratories

Laboratory studies of surface water bodies, drainage mine drainage water, waste water

Reproduction of aquatic bioresources:

~400 thousand fry of red-listed sterlet were released into the Belaya River in the Republic of Bashkortostan in 2020

Installation of moistureproof storage tanks to collect storm water from the surface of the designed road after it has been treated

Measures to reduce the generation of waste during construction and waste recycling

The project has achieved viable infrastructure projects certification (IRIIS) developed by the Bank for Development and Foreign Economic Affairs of the Russian Federation together with the National Centre for Public Private Partnership Development and AICOM international company with the support of the Ministry of Finance of the Russian Federation

Funding for energy efficiency projects

One of the VTB Group's activities aimed at improving energy efficiency is the factoring of energy service contracts. This type of financial product represents an alternative non-collateralised source of investment resources for developing enterprises with the aim of improving their energy efficiency. Factoring of energy service contracts does not require an initial investment by the customer, and the projects implemented on its basis produce an economic effect from the date of commissioning.

Introduction of modern energy efficient technologies under the energy service contract allows to reduce expenses on fuel and energy resources by 30-50%, thereby proportionally reducing greenhouse gas emissions and increasing environmental friendliness of production.

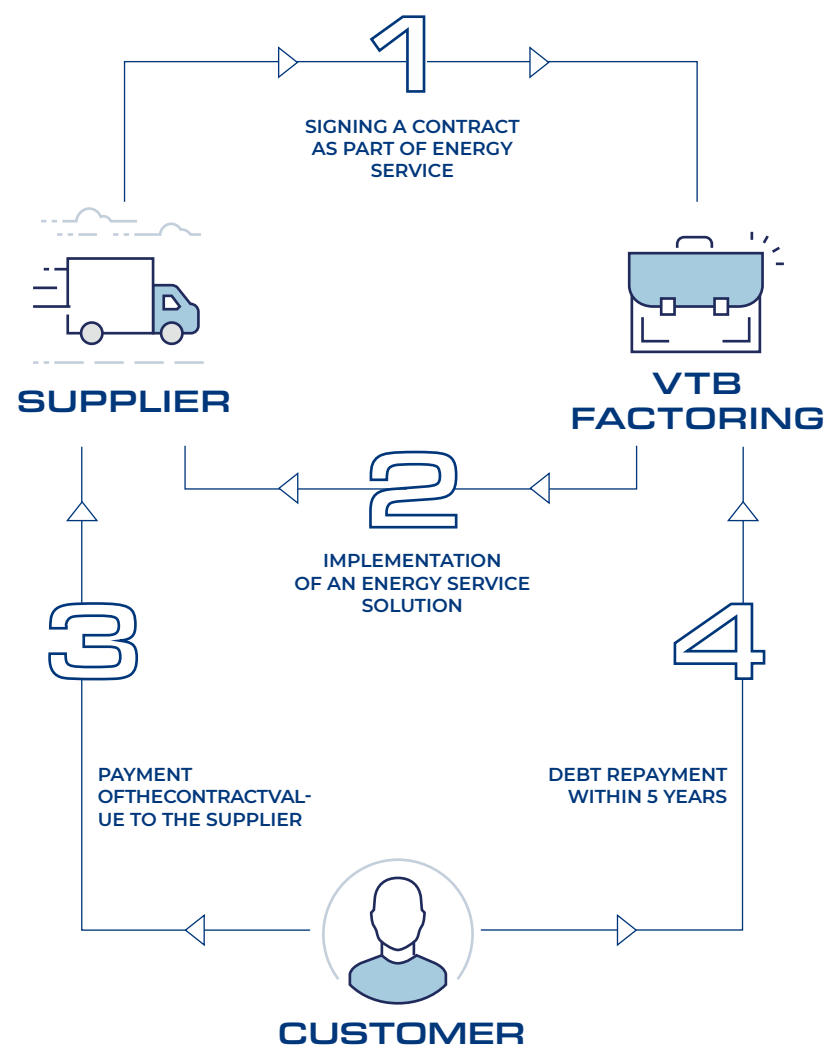
6.33
billion RUB

total amount of financing for energy service contracts in 2020

An example of such a project in 2020 was the signing of a contract worth more than RUB 500 million by one of Russia's leading tube-rolling mills for the delivery of innovative energy-saving equipment for heating pipe stock with high-frequency currents. The equipment reduces electricity consumption by several times, thereby preventing emissions during production. With the financial support of VTB Factoring LLC, the customer will be able to pay for the equipment in instalments over a period of five years.

Another area for financing projects promoting energy efficiency is the leasing of energy-efficient equipment. Thus, in 2020 VTB Leasing signed a contract with IDGC of Centre PJSC for the leasing of a comprehensive automated electricity metering system worth RUB 1.2 billion. Under the terms of the contract, VTB Leasing will finance the turnkey manufacturing of an integrated automated electricity metering and telemechanics system with remote data collection. Implementation of the project will reduce electricity transmission losses and increase the reliability and overall environmental friendliness of the enterprise in the long-term.

VTB IS CURRENTLY NUMBER ONE IN ENERGY SERVICE FACTORING IN RUSSIA.



Environmental initiatives for retail customers

Given the growing interest of its customers in the preservation of natural wealth and sharing personal responsibility for environmental quality, in 2020 VTB implemented several retail eco-projects based on the *Multi-Bonus* loyalty programme.

RESULTS



EcoCard

A bank card made of polylactide, an environmentally friendly biomaterial that can be easily recycled and does not pollute the environment

~13

thousand EcoMulticards

issued

>2

million views

of the video about VTB Mastercard ecocard on Instagram



Mission: Clean Water eco-project

An opportunity to donate part of the accumulated rewards from one's own bonus account to the fund of the All-Russian Society of Nature Conservation to help clean up water bodies

146

bodies of water

in eight federal districts of the Russian Federation cleaned



Give a Forest to a Friend! project

Participation in the restoration of forests in national parks of the Russian Federation by paying for the planting of seedlings with bonus currency or roubles

>4

million trees

planted over the six years of the programme launched by Post Bank

RENUNCIATION OF PLASTIC CARDS


Another important retail project benefiting the environment was the switch from plastic to digital debit and credit cards. The renunciation of plastic cards was launched in late 2019 and is one possible option to reduce the environmental impact of banking institutions. In addition, VTB considers the issuance of digital cards as an important step towards developing a digital experience in the design, receipt and use of card products.

By the end of 2020 the share of virtual cards made up 5% of issue and the turnover was around RUB 8 billion. A total of 342 thousand digital cards and 5 million cards with paperless PIN envelopes were issued in 2020 (45% of total card issue). By 2023, VTB plans to increase the share of digital cards in its total card issuance to 40%.

Improving Inherent Environmental Performance

Reducing our own environmental footprint is a part of the VTB Group's Development Strategy. A high degree of digitalisation and the use of innovative tech solutions across business processes call for transition to paperless internal and external workflows and to more efficient use of resources.

Directions for reducing VTB Bank's environmental footprint



Reducing energy consumption

Implementing an power saving programme and introducing power saving technologies


Replacing fluorescent (halogen) lights with LED lamps

Replacing outdated air conditioning systems with inverter units with lower energy consumption


Partial repair of thermal insulation of heating and hot water supply system pipes

Dispatching engineering systems at Bank facilities

RESULTS



total energy savings




Reduction of waste generation

Recycling electronic waste: servers, uninterruptible power supplies, storage systems, workstations, ATMs, POS-terminals, office and household appliances

Sorting waste by type on-site and transferring it for recycling

RESULTS

2.5 tonnes harzadous waste generated in 2020 vs 6.8 tonnes in 2019;
100% of office waste generated was transferred to contractors for recycling



Optimisation of paper consumption


Gradual transition to electronic document flow

Application of duplex printing

RESULTS

10% reduction in paper purchased;;
220 tonnes of paper sent for recycling

VTB Group companies follow green office principles, which are primarily aimed at improving energy efficiency, upgrading and optimising the number of real estate units in use and training employees in the prudent use of resources. In order to reduce its environmental impact, VTB strictly controls the use of paper, electricity and fuel and implements a range of waste management measures.



Reducing fuel consumption


Optimisation of car fleet use

12% fleet renewal

Optimised vehicle routing

RESULTS

25% reduction in gasoline and diesel fuel consumption;
14% reduction in the number of company vehicles



Reducing water consumption

Implementation of planned measures to reduce water consumption in offices

RESULTS

78% reduction in cold water consumption;
39% reduction in hot water consumption (partially due to the COVID-19 pandemic)

New format green offices

An important line of VTB's environment-related activity is increasing the efficiency of real estate use. In order to create unified centres of operation, the Bank strives for optimal distribution of infrastructure assets by reducing office space and minimising duplicated employee functions, thus reducing consumption of resources and environmental footprint.

The new format offices implemented Smart Office automatic parameter control technology for more efficient use of resources and a higher level of environmental friendliness. They allow to optimize the temperature, humidity, light and CO₂ concentration in the room. This creates an even more comfortable environment for both employees and customers. Digital filing and signing of documents can significantly reduce the use of paper.

In 2021, all VTB's new branches will be switched to this format, their number will increase to 135.



the number of new format branches will grow in 2021

VTB CONTINUES TO UPGRADE ITS NETWORK ON A LARGE SCALE, INCREASING THE NUMBER OF ITS OFFICES IN A NEW ENVIRONMENTALLY FRIENDLY FORMAT. NEW TECHNOLOGICAL BRANCHES WERE OPENED IN MOSCOW, ST. PETERSBURG, KALININGRAD AND KANASH (CHUVASH REPUBLIC) IN 2020.

Green recycling of electronic waste

In the course of VTB's digital transformation, we are carrying out a large-scale upgrade of our office infrastructure and data centres. As part of this process, we are decommissioning a large amount of obsolete equipment.

In 2020, VTB, in partnership with Corporation ECOPOLIS JSC, launched the largest project for the environmental recycling of end-of-life electronic waste and equipment Servers, uninterruptible power supplies, racks, storage systems and workstations have already been handed over for recycling; VTB plans to hand over ATMs, POS-terminals, office and household appliances.

Recycling electronic waste and equipment will yield copper, aluminum, zinc alloys and brass, printed circuit boards, ferrous metals and plastics. Up to 95% of materials and recycled appliances become secondary raw materials.

Paperless document flow

In 2020, the Bank continued implementing the Paperless Document Flow initiative. The goal of the initiative is to significantly reduce paper consumption and cut costs by following an end-to-end approach to document management and storage.

At the end of 2019, VTB launched digital document signing technology and in March 2020 replicated the service across its entire branch network. During customer service, an employee executes a service and generates an electronic document, while the user confirms the transaction and signs all documents with an electronic signature in VTB's mobile app. All signed contracts are stored electronically and are available to the customer in a special *VTB Online* section at any time. Security of the technology is ensured through a range of measures confirming the authorship and invariability of documents signed by the customer, as well as through a reliable system for storing data and electronic documents.

At the end of 2020, the digital document signing service became available for 24 types of transactions, which is more than 50% of all network transactions. As a result, customers executed 4 million contracts in digital paperless format, saving more than 20 million sheets of paper weighing 100 tons and saving about 2 thousand trees.

2
thousand trees

saved by executing 4 million contracts in a paperless digital format

Lean practices at VTB Bank

As part of the active application of resource-saving technologies, VTB Bank continues to implement the concept of continuous improvement (Lean). This approach implies company management based on continuous reduction of all types of loss. Lean practices involve each employee in business optimisation, focusing on customers' needs.

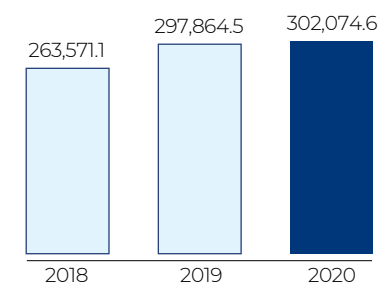
In 2020, the Bank implemented a number of initiatives to improve the efficiency of work processes and move away from hard-copy paperwork. In particular, a large-scale programme was launched to transition to paperless document flow not only with the Bank's customers, but also within internal processes. The initiative brings together various projects that increase the efficiency of working procedures and improve environmental performance.


Lean leaders and key experts - participants of Lean-projects - are active promoters of Lean principles in order to reduce all types of losses. A number of remote seminars on lean practices methodology and tools were held for them in the reporting period. A total of 56 leaders and key experts were trained at the Bank in order to further promote Lean methodology and tools.

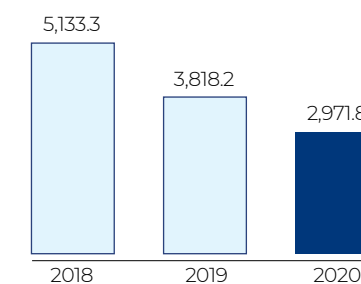
In 2020, the Bank implemented over 40 Lean projects of various levels - from small improvements to significant changes in cross-functional processes.

Key indicators for the Group's activities to decrease consumption of resources and greenhouse gas (GHG) emissions

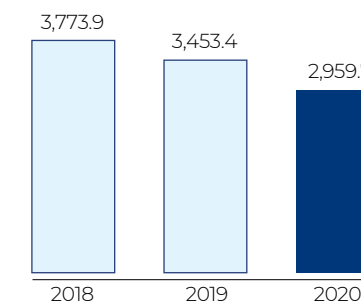
 ELECTRIC ENERGY CONSUMPTION, thousand kWh




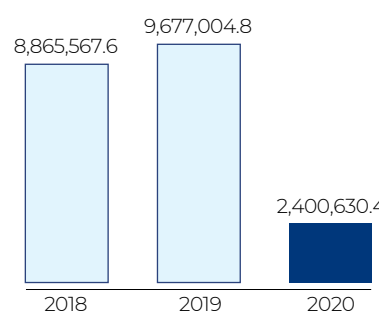
 TOTAL FUEL CONSUMPTION, thousand litres



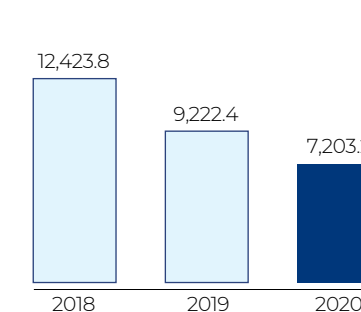
 PAPER CONSUMPTION, tonnes



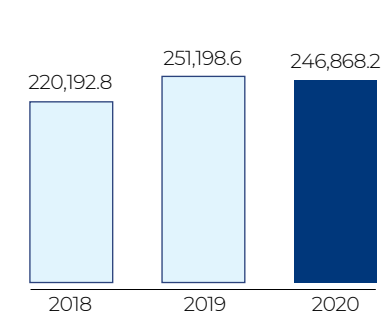
 WATER CONSUMPTION, thousand litres



 DIRECT GHG EMISSIONS, tonnes of CO₂ equivalent

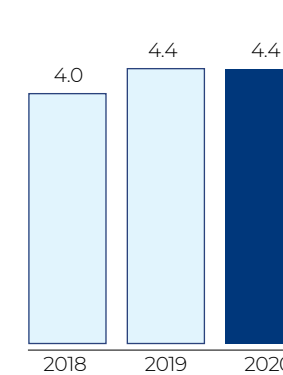



 INDIRECT GHG EMISSIONS, tonnes of CO₂ equivalent

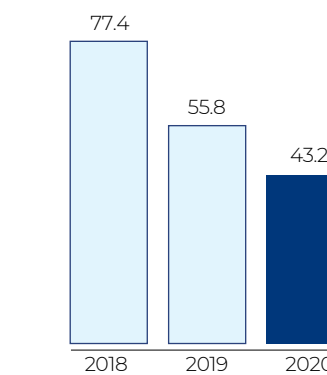



Consumption of resources by Group companies per employee

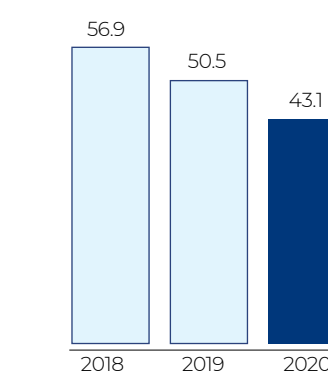
 ELECTRIC ENERGY CONSUMPTION, MWh per person



 FUEL CONSUMPTION, litres per person



 PAPER CONSUMPTION, kg per person



VTB's Partner Projects in the Ecology Field

VTB takes a proactive stance in promoting and developing environmental protection in the Russian Federation and sees its objective in transforming the approach to the implementation of projects in this field from the mere provision of financing to offering expert financial advice.

VTB contributes to this issue by supporting projects of the Arctic Council Project Support Instrument, participating in the national *Ecology* project and providing charitable support to foundations specialising in environmental protection.

Arctic Council

In 2020, the Bank and VTB Ecology LLC, a special legal entity within the Group responsible for monitoring environmental projects, continued to monitor Project Support Instrument (PSI) projects in the Arctic zone of the Russian Federation, and assisted the Ministry of Natural Resources and Environment of the Russian Federation in preparing necessary background materials and opinions on the said projects.

PSI is an international fund that finances projects to reduce pollution and improve environmental impact management practices in the Arctic.

As part of this area, in the reporting period, VTB supervised the implementation of environmental projects in the Arctic zone of the Russian Federation, as well as assisted in finding a consensus in controversial working situations between Russian enterprises and the Nordic Environment Finance Corporation (NEFCO), which provides funding for the implementation of environmental projects.

National Ecology project

Since 2019, VTB Bank has been an active participant in the national *Ecology* project and is a member of the Business and Biodiversity working group of Russia's Ministry of Natural Resources and Environmental Protection. The major goal of the working group was to achieve synergy in implementing corporate programmes to preserve biodiversity and protect the environment, run by Russian government agencies across designated natural areas of federal importance.

As part of this work, in 2020, an agreement was signed with the Ministry of Natural Resources and Ecology of the Russian Federation on cooperation in implementing measures within the federal project "Conservation of Biological Diversity and Development of Green Tourism". The signed agreement will allow to implement a programme for the conservation and monitoring of rare animal populations and other activities, including those aimed at the development of green tourism.

The main projects of the Arctic Council in 2020

Pilot project on reduction of CO₂ and black carbon emissions in the rivers of the Arctic region of the Russian Federation

Reduction of fluorinated greenhouse gas emissions and ozone-depleting substances at fish and seafood processing enterprises in the Murmansk region

Reduction of black carbon and methane emissions in flare emissions of associated petroleum gas in the Arctic zone of the Russian Federation

Treatment of Solid Waste Disposal Site in the Russian Arctic

At the events of the Business and Diversity working group in 2020, development schemes for the Kronotsky State Reserve and the Russian North National Park were approved, and reports were reviewed and further action plans were developed to restore the Persian leopard population in the Caucasus.

Charitable environmental projects

A separate area of VTB Bank's environmental activities is its charitable support for foundations and organisations involved in the conservation of biodiversity.

The key objectives of VTB's environmental activities include the support of projects to preserve Russia's biodiversity, the most prominent of which is a joint project with the World Wildlife Fund (WWF) on the conservation of big cats in the Russian Federation. In 2020, the Bank continued its sponsorship of this project.

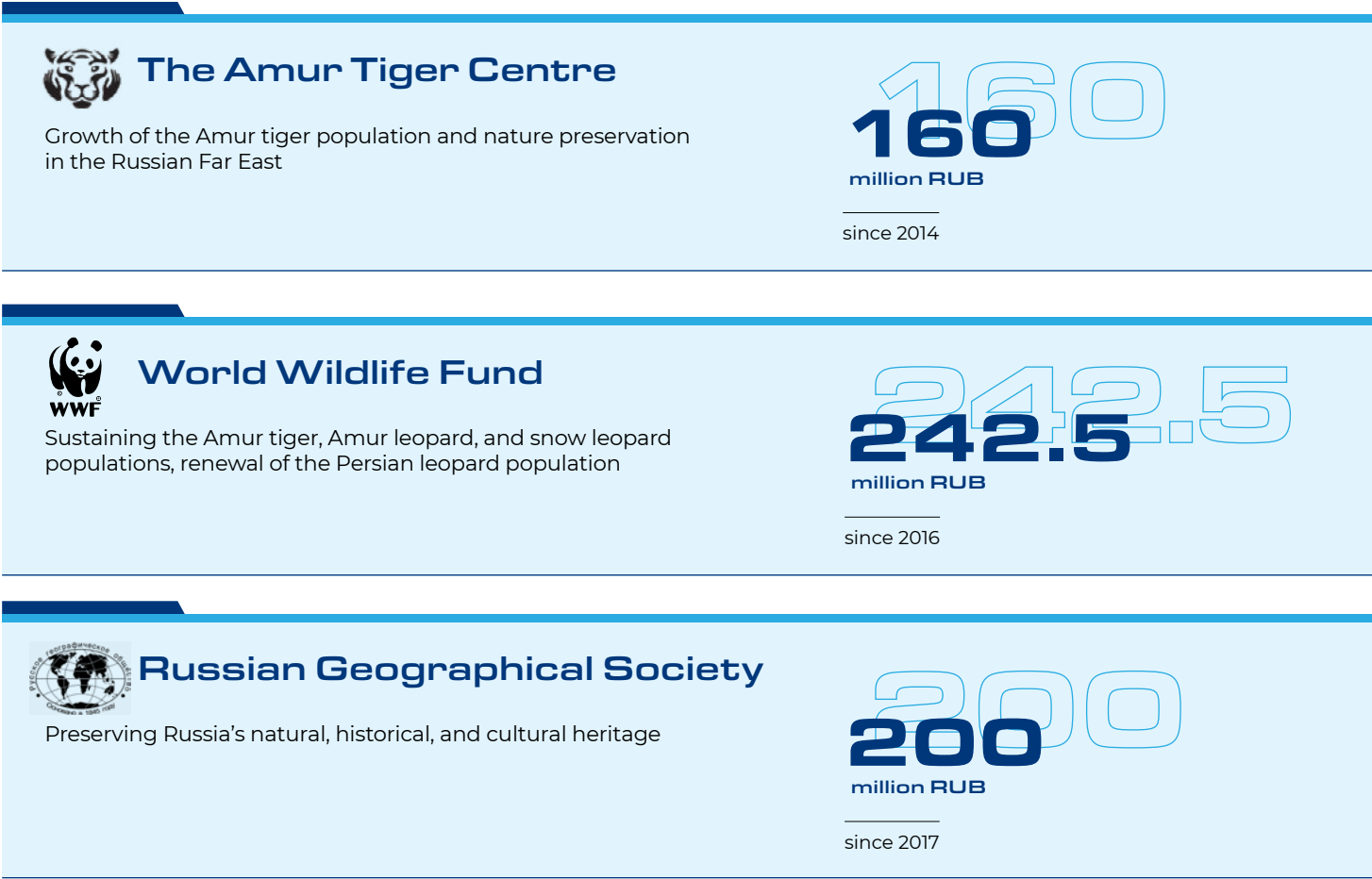
The main goal of the project is to improve the environmental sustainability of natural ecosystems in the Far East, Altai, Sayan and North Caucasus in order to preserve and expand the habitat of the Amur tiger, Amur and Persian leopards, and snow leopard populations. By the aid of the implementation of the project since 2012, it has been possible to significantly increase the number of big cat species.

At present the Amur tiger population numbers 580, the Amur leopard 100, the snow leopard 70 and ten Persian leopards released into the wild.

During the cooperation between VTB and WWF since 2016, a lot of work has been done to protect the population of rare animals, including in the following areas:

- Preserving the habitats and foraging sites of these species;
- Ensuring monitoring of animal diseases in their habitats;
- Strengthening the effectiveness of protection;
- Preventing and resolving conflict situations;
- Improving the legal and methodological basis of conservation activities.

The most important charitable environmental projects by VTB



WE connect PROFESSIONALS TO competitive CHALLENGES

In 2020, despite the COVID-19 pandemic and changes in the business processes due to the transition to a remote work format, VTB recruited more than 11,700 people.



VTB TEAM

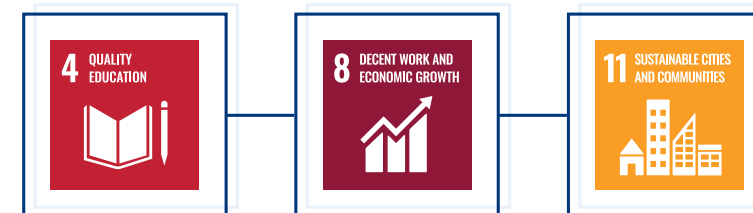
THE SUCCESSFUL OPERATION OF VTB AND THE ACHIEVEMENT OF ITS OBJECTIVES ARE INSEPARABLE FROM THE PRESENCE OF LOYAL AND COMPETENT EMPLOYEES. AN EFFECTIVE HR MANAGEMENT SYSTEM BASED ON A PERFORMANCE-ORIENTED CORPORATE CULTURE AND A POSITIVE WORKING ENVIRONMENT ARE AMONG THE OVERARCHING PRIORITIES OF VTB'S BUSINESS STRATEGY.



"The key factor of VTB Group's success is the availability of a cohesive team of professionals capable of meeting complex challenges in a rapidly changing economic environment. The task of HR function is to always remain a reliable partner both for management and employees in meeting those complex challenges. For the former by helping to achieve business goals, for the latter by helping to realize their personal and professional potential".

Gleb Ermakov

Head of Human Resources, Senior Vice President



As one of the largest employers in the banking industry in the regions of its operation, VTB continuously improves its approaches to HR management, implementing the best and most efficient practices.

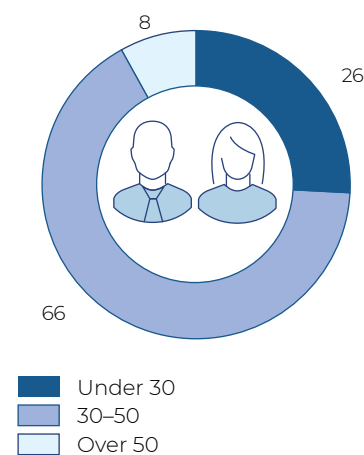
The key drivers behind this headcount growth (2.6%) were the ongoing strengthening of VTB's IT sector and the implementation of the 600 Day programme, which creates cross-functional teams to develop and implement services for process digitalisation and accelerated development of the Bank's products and sales channels.

689.7
thousand people

number of VTB Group full-equivalent employees in 2020

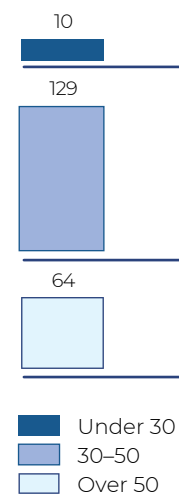
HR Management

PERSONNEL HEADCOUNT OF VTB GROUP AS OF 31 DECEMBER 2020, BY AGE (%)

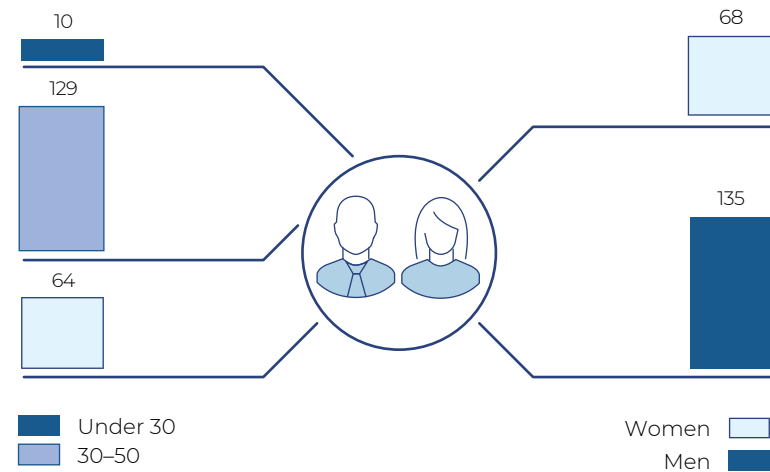


COMPOSITION OF GOVERNING BODIES (persons)

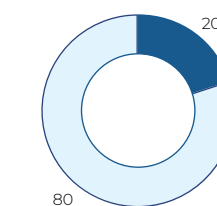
By age group



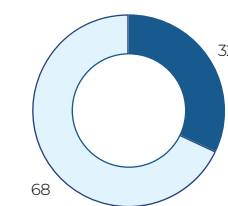
By gender



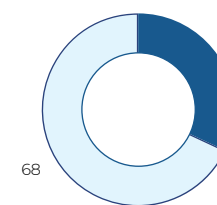
NUMBER OF PERSONNEL OF VTB GROUP AS OF 31 DECEMBER 2020 (%)



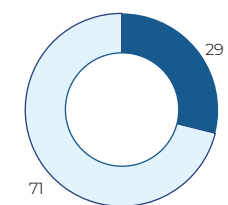
Temporary employees



Permanent employees



Full time



Part time



Men

Women



Human Rights, Gender Equality, and Inclusion

VTB Bank fully complies with Russian labour legislation and ensures equal employment and career development conditions for all its employees, regardless of their gender, age or ethnicity.

VTB Bank's Code of Ethics prohibits discrimination on political, religious, ethnic, gender, or other similar grounds in hiring, remunerating, and promoting employees. The Code of Ethics also prohibits securing unwarranted privileges or advantages in hiring, promoting, and rewarding employees.

VTB provides equal opportunities for men and women, creating equal conditions for training and career advancement. In 2020, women accounted for 33% of senior managers and 64% of all employees hired in the reporting period. The average number of training hours per Group employee was 39.5 academic hours: 37.3 academic hours for men and 40.4 academic hours for women. Fair remuneration and workplace equality are the purpose of a grading system the Bank put in place to objectively assess all jobs it offers.

Group companies take a responsible approach to meeting their statutory obligations to promote the employment of socially disadvantaged groups, including providing staffing positions to hire people with disabilities. In 2020, 142 people with disabilities are employed by the VTB Group.

VTB Bank operates an anonymous employee complaint hotline. In 2020, 21 complaints were filed in this way. The inquiries concerned issues of relations with the management and material incentives. All inquiries were dealt with and appropriate measures were taken as a result.

Priorities of VTB's Inclusion Policy



**Equal career opportunities
for women and men**



**Promoting employment
of people with disabilities**



Effective grievance mechanism

Ensuring employee safety due to the COVID-19 pandemic

From the first reports of a threat of mass morbidity, VTB took measures to protect employee health, preventing the possibility of the spread of infection.

First and foremost, more than 20 thousand employees were transferred to work remotely as soon as possible and a procedure for temperature measurement at entrances to offices was introduced. Every week, mandatory testing was conducted for employees who continued to work in our Moscow and St. Petersburg headquarters. Employees who came into contact with ill colleagues were also tested. In total, VTB Bank employees were tested over 128.9 thousand times in 2020.

Since the start of the COVID-19 pandemic, employees have received regular newsletters informing them of the work format, the quota of employees working in the office, and the testing procedure for coronavirus infection. The internal corporate portal posted materials on how to connect to a remote workplace, and an algorithm for the employee's actions in case of COVID-19 disease was developed and published. As official data became available, employees were informed in a timely manner about the possibility of vaccination in all regions of the Russian Federation.

Daily monitoring of employee morbidity was carried out in order to organize prompt medical care. Medical experts were engaged to provide professional advice on employee safety. In addition to state medical care, additional assistance was provided through voluntary health insurance (VHI), especially for the most complicated cases of employee illnesses.

128.9
thousand tests

for employees

454
million RUB

allocated for social programmes to support
employees in the fight against COVID-19



Daily morbidity monitoring



Attracting and Retaining Personnel

In 2020, the Bank continued to develop its employer brand, which was highly praised by the market.

In 2020, despite the coronavirus pandemic and changes in business processes during the transition to a remote working environment, VTB recruited over 11.7 thousand employees, including 1.2 thousand for management positions, over 1.4 thousand for IT positions and 7.5 thousand for positions in the Bank's regional network. More than 1.1 thousand highly qualified employees were hired as part of the development of one of the Bank's key strategic projects, the *600 Days* programme.

Innovative recruitment technologies

One of the important initiatives in 2020 was the introduction of robotised technology in the recruitment process, making it possible to implement a convenient and paperless path from initial candidate job application to employment, as well as to improve the quality of recruitment processes and reduce recruitment time by almost half. In 2020, automated technology was used to hire around 3.5 thousand employees in VTB's nationwide network units, representing 46% of all hires in the Bank's network.

In 2020, the vtbcareer.com career portal was further developed. A special place on the website was taken by a section describing VTB's values, which are also communicated through the success stories of the Group's employees. In 2020, the overall number of unique visitors to the portal exceeded 600 thousand, of whom 40 thousand applied to VTB's jobs.

Career Planning at VTB

An important initiative introduced in 2020 was a large-scale *Career Paths* programme for employees working in VTB's regional network. The programme aims to create a comprehensive and effective system for promoting people within the organisation, developing and retaining high-performing employees and reducing the time required for them to adapt to their new roles. The programme is automated, is delivered through the Bank's Corporate Training Portal and is a platform that allows employees to plan their careers, declare their interest in specific job openings and formulate further steps for development.



For the second year in a row, the Bank is among the top 10 employers in the country according to Forbes, and regularly ranks among the top 5 of the Best Employer in Banking category according to HeadHunter, FutureToday, Universum and Best Company Award ratings.

600

thousand users of the
vtbcareer.com portal

>200

higher education institutions
became partners of VTB

524

people

completed an internship at VTB Bank
in 2020



Attracting young talent

The VTB Group puts great emphasis on attracting young talent and engaging with potential employees – students from major universities both in and outside Russia. Every year the Bank concludes agreements with the largest universities in the regions of operation and provides internships for students.

VTB Bank has cooperation agreements with over 200 universities nationwide. In 2020, 23 agreements on cooperation with universities were concluded. The main objectives of cooperation are to improve the professional skills of graduates of Russian universities and to provide students with internships and traineeships at the Bank. During the year, VTB Bank organised 193 online events for university students.

Personal grants programme *One Step Ahead*

In 2020, VTB Bank launched the *One Step Ahead* programme to support talented undergraduate students. More than 9 thousand students from 350 Russian universities in 16 cities took part in the competition. A total of 50 students were named finalists, each of whom received RUB 100,000 from VTB Bank for their professional development.

Online Hackathon

The Online Hackathon was held for the first time in 2020 in two development areas: web and mobile. A total of 470 young IT specialists took part in the competition. A set of measures to work with young IT specialists helps VTB to build its positioning among the IT audience.

VTB Internship Programme

The Bank continues to develop its internship programme for students and young specialists. A total of 524 students participated in internships in 2020, resulting in 184 new employees being hired by the Bank.

Special attention is paid to IT internships. In 2020, a new direction "IT Specialist School" was opened - development programmes combining intensive theoretical training and work in project teams with practical application of knowledge in the following directions: Java, DevOps, iOS, and automated testing. A total of 150 interns joined VTB's IT team in 2020 (along with IT Junior graduates).

Increasing employee engagement

As part of the implementation of the human capital and corporate culture development strategy, an employee engagement survey is conducted every two years.

In the reporting period, a number of initiatives aimed at increasing the level of employee engagement were implemented based on the results of the 2019 survey. It is planned to conduct another engagement survey and assess the results in the dynamics in autumn 2021.

VTB Bank's Regional Network Mentoring Institute

In order to help new employees adapt and train them professionally, in 2020 VTB Bank continued to actively develop its Mentoring Institute project. The current employees of the regional branches who have passed the selection procedure and specialised training are appointed as mentors.

As part of the training, the future mentors studied the functionality and tools to work with interns and learned the key aspects and effective methods of working as VTB Bank's mentors, as well as motivation and approaches to training adults. Particular attention in the training was paid to building the skills of establishing contact with the intern, effective communication, setting training goals, and providing feedback to the intern. 29 webinars were held for 619 mentors, and 250 mentors were trained in 18 online training sessions.

In 2020, training for mentors was conducted as part of the IT Junior

and IT Specialist School programme for young specialists. The training programme was developed taking into account the specifics of the target audience and the specifics of the internship programmes. As a result of the training, 58 mentors have improved their competencies in transferring knowledge and experience to interns, received algorithms for setting goals and objectives, feedback, as well as conducting mentoring meetings. By means of this approach, the interns were able to immerse themselves in the Bank's IT processes and become part of the VTB team of experienced developers.

18
online trainings

conducted

250
mentors

trained

2020 initiatives aimed at increasing the level of employee engagement



Automation of key processes, which allowed employees to perform their professional duties faster and more effectively, including by working remotely



Greater opportunities for professional growth and development



Large-scale transition to cross-functional teams



Introduction of an innovative way to develop and launch new products



Scaling up the succession pool programme and career paths (career development) for employees

Talent Training and Development

The VTB Group offers employees ample opportunities for training and professional development.

Various training initiatives are regularly run across the Group, allowing our team members to gain new knowledge and skills so that they can realise their potential to the fullest.

The priorities for employee development in 2020 were determined by the objectives of the VTB Group's Development Strategy and corporate values, as well as the challenges of the new reality, which call for flexibility and a readiness to change, a stronger culture of leadership and efficiency, and greater digitalisation and customer focus.

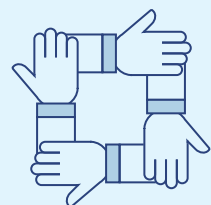
In the reporting period, training became more adaptive, based on building an individual learning path taking into account the current knowledge, abilities and motivation of employees. The absolute majority of training programmes were transferred to the online format using new digital capabilities.

Training extends to all staff, from managers at various levels

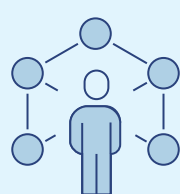
to employees, including front-office staff.

The average annual hours of training per Group employee totalled 39.5 academic hours. The largest volume of training for employees among the Group's companies was organised by VTB Bank. VTB Bank delivers 47.7 academic hours of training per employee, where 48.5% are e-learning courses. Over 64 thousand full-time employees received training in 2019.

Success Factors in the Development of VTB Bank Employees



Emphasis on corporate values and culture



Adaptive training based on employee personality



Harnessing new digital opportunities

Employee training system achievements

A significant achievement in 2020 was the implementation of the task of transferring training to an online format in order to ensure continuous and effective development of all categories of VTB personnel.

All new and current employees in our sales and support offices improved their professional qualifications and knowledge of the Bank's products and services: more than 7,236 new employees across the regional network received basic training.

A three-month online development marathon *Study at Home* was held to support work in a remote format. The key focuses of the marathon were determined by the current requests and needs of employees.



Key focus areas of personnel training include adapting to work during the COVID-19 pandemic

Practices for preserving personal and team resourceful state

Strengthening skills for building effective communications both within the team and with external customers

Tools for managing remote teams

Interaction using digital communication channels

47
thousand employees

have been trained, among them 18 thousand managers and 29 thousand specialists

390
webinars

conducted

New training programmes for VTB employees

FOR MANAGERS

PROGRAMMES FROM INTERNATIONAL BUSINESS SCHOOLS

Programmes tailored to the needs of the bank: in partnership with INSEAD on Innovation and Creating Value in Banking (two modules); in partnership with IMD on Team Management, Digital Transformation and Managing High Performance; a presentation by Jan Hagen, professor at the ESMT Berlin international business school on *A New Look at Mistakes. How to manage a business in the face of uncertainty*.

286
managers

MANAGEMENT ESSENTIALS: PRACTICAL SCHOOL OF MANAGEMENT

Advanced professional training for line managers of the regional network jointly with one of the leading business schools in Russia - the Graduate School of Management at St. Petersburg State University (GSOM SPbGU)

30
managers

MBA PROGRAMME WITH SPECIALISATION IN STRATEGIC MANAGEMENT AND ENTREPRENEURSHIP

26
managers

COMPREHENSIVE TRAINING PROGRAMME FOR DEPUTY MANAGERS OF REGIONAL BRANCHES FOR RETAIL BUSINESS IN THE BANK'S REGIONAL NETWORK

89
managers

DEVELOPMENT PROGRAMME FOR MANAGERS OF IT DIVISIONS

Development of basic and advanced managerial skills for middle and line management

155
managers

PILOT PROGRAMME: TRAINING IN SALES OF INVESTMENT PRODUCTS

183
managers

NEW MANAGER SCHOOL

Prompt and deep dive of newly hired line managers of the regional network in the corporate life of the Bank, familiarisation with the strategy, focus areas of business development, as well as with the key tools and technologies of personnel management

136
managers

FOR EMPLOYEES

TRAINING PROGRAMME FOR EMPLOYEES OF SUBSIDIARIES BEING INTEGRATED

Basic training on the key products and services of VTB Bank for employees of Vozrozhdenie Bank, Sarovbiznesbank and Zapsibkombank

1,512
employees of
subsidiary banks

TRAINING FOR CROSS-FUNCTIONAL TEAMS

Development programmes for cross-functional teams consisting of employees from business departments, IT teams and support departments

842
employees

SCHOOL OF SPEAKERS

Training of high-quality speakers, motivation of employees to hold internal meetings/workshops/master classes, creation of professional communities around expert speakers

45
employees

RETRAINING PROGRAMME FOR IT EMPLOYEES

Additional technical training when changing the technological stack in the areas of Java and React

55
employees

BASIC AGILE

Development of basic knowledge in the Agile area

1,159
employees

ONLINE DEVELOPMENT MARATHON STUDY AT HOME

An ecosystem of training for employees, with training topics determined by the needs and interests of the employees themselves


29,000
specialists

Cooperation with international business schools

In 2020, VTB Bank strengthened its partnerships with international business schools. Over 700 Bank managers attended courses at leading business schools, both open programmes and those adapted to the Bank's needs on relevant subjects. All programmes are implemented in a modern educational space using high-tech platforms that allow to design an effective learning process, close to full-time learning.

The managers chose the most interesting topics

SPECIALISED PERSONNEL DEVELOPMENT PROGRAMMES

 <p>INSEAD: Innovation and Value Creation in Banking</p>	 <p>IMD: Digital Transformation and High Performance Management Harvard</p>	 <p>Business School and ESMT Berlin: Strategy and Management in Turbulent Times</p>
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Talent pooling

In 2020, the stage of selecting candidates for the management development programme for the Bank's regional network continued. The candidates underwent a multi-stage evaluation. The important selection criteria were the evaluation of performance and achievement of business indicators based on the results of 2019, the level of leadership potential development, and sharing of the Bank's values.

In 2020, 266 potential managers of the Bank's network became participants in the *League of Champions* succession pool programme. A development programme was launched for them, under which the succession pool members were trained at one of the world's leading business schools - the International Institute for Management Development (IMD, Switzerland). Professors from Stockholm School of Economics, Skolkovo School of Management in Moscow, the Higher School of Economics and other recognised external experts, as well as executives from the Bank, shared their experience with the programme participants.

All development programmes for succession pool members were specifically tailored to the nature of VTB Bank's business and were designed to be as applicable as possible. At the end of year 2020, 58 participants of the programme were promoted to higher positions.

from the field of global expertise, interacted and exchanged experience with the heads of international global corporations.

Key areas of training for the Succession pool

- Business strategy and business expertise
- Risk management
- Customer experience management
- Strategic and systematic thinking
- Managing performance and teams in times of change

Motivation and Remuneration

VTB Group is working actively to improve its personnel remuneration system and working conditions. This not only helps us attract and retain the most effective employees but also improves their performance.

The incentive system in the Group's companies aims to ensure a competitive remuneration level and provide comprehensive social support for employees.

Remuneration of labour

The VTB Group cares about its employees and offers them competitive salaries. Each year, Group companies carry out surveys on the salaries of their peers in order to make timely adjustments to remuneration levels, if necessary.

One significant development in 2020 was the introduction of cross-functional teams, which include experts from business, information technology, and other support and monitoring departments, creating and developing products and services to meet complex customer needs. An appropriate annual bonus system was developed for such teams, where each employee's compensation is simultaneously dependent on the team's fulfillment of business objectives and an individual performance evaluation determined jointly by his/her functional and administrative managers.

Social benefits

The group has a well-developed system of social benefits. The details of the social package offered vary depending on the size of the business and the specific nature of each of the Group's companies.

In 2020, VTB Bank allocated about RUB 2.9 billion for social programmes, including RUB 1.6 billion (55%) for VHI. All of the Bank's employees, including those on maternity leave, participate in the programme.

2.9
billion RUB

allocated for social programmes for the employees in 2020

VTB's social benefits for employees



Health

- VHI Programme;
- Management of pregnancy and labour;
- Accident insurance.



Family

- Payment in addition to maternity benefit;
- One-off payments for family emergencies;
- Paid compassionate leave.



Financial stability

- Corporate pension programme;
- Financial aid in the event of exceptional circumstances;
- Payment in addition to the statutory amount of temporary disability benefits.



Improving standards of living

- Partial reimbursement of tuition fees under job-related higher-education programmes;
- Retirement and jubilee benefits;
- Compensation of expenses in connection with moving to a new place of work;
- Corporate discounts and special offers from VTB partners.

Employee evaluation

Personnel appraisal is an integral part of VTB's HR management system, which is not only an important stage in the effective professional development of employees but also helps ensure objectivity in employee promotions.

The performance management procedure is a key instrument used by VTB Bank to assess employee performance. In 2020, this procedure includes an employee performance evaluation based on the results of 2019.

Also in 2020, we developed an employee evaluation system for cross-functional teams as part of the *600 Days* programme. The evaluation of team participants' performance was based on two parameters: personal contribution to achieving the team's goals and compliance with the Bank's values.

In order to create a corporate culture that emphasises leadership and performance, VTB Bank regularly carries out activities to assess and develop the competencies of managers and their teams.

In 2020, the number of assessment activities carried out increased by 2.5 times compared with the previous year. The results of the assessment helped participants take a more deliberate approach to further developing and improving their personal effectiveness.

A total of almost 1.3 thousand employees, from specialists to senior management, including 800 participants in the selection for the succession pool of the united regional network took part in the assessment of personal qualities in 2020. Approximately 1.7 thousand people were assessed for their IT competencies in 18 roles and specialisations.

Corporate Culture and Internal Communications

A well-developed system of internal communications, as well as well-established mechanisms for interaction between key process participants, are the most important factors for the successful functioning of the Group's business.

In 2020, systematic work was carried out to digitise internal communications channels. The project to create a new intranet portal was completed. It was transformed into a single entry point to key corporate resources and self-service services for employees.

The technical capabilities of the new portal allow employees to quickly find relevant and structured information on a variety of requests from various devices - from a computer, laptop, tablet or smartphone. The functionality of the personal account has been significantly expanded due to self-service services. The employee can view the information of interest regarding registration of vacations, calculation of bonuses and salaries, social benefits, and other information on labour management.

The portal also developed a digital version of the *Team Spirit* corporate magazine, which significantly increased its readership.

As part of the development of our communication channels, we created a community of 200 ambassadors, who create an agenda and generate unique news content from all of VTB's locations in the Russian Federation.



In 2020, reporting meetings with top and senior management were held using state-of-the-art live streaming technology.

>4

thousand people

participated in reporting meetings in 2020

Dialogue with employees and channels for feedback

An open dialogue with employees is one of the signs of the company's organisational maturity. As a result, in addition to the main internal communication channels, such as the intranet portal and the *Team Spirit* corporate magazine, the Group's companies actively use the tool for feedback from employees.

One of the main feedback channels is communication between employees and their direct supervisors.

Another important channel for structured feedback is the VTB Group's employee engagement survey, which is conducted every two years. The survey helps assess the quality of corporate culture and the system of internal communications, the effectiveness of training programmes, satisfaction with the level of salaries, as well as the degree of employee motivation and loyalty.

Based on the results of the 2019 survey, a number of initiatives were implemented in the reporting period aimed at increasing the level of employee engagement. Particular attention was paid to expanding professional development opportunities for employees and improving the efficiency of business processes. In 2021, it is planned to conduct another engagement survey and assess the results in dynamics.

Team Spirit corporate magazine



Gravity, a portal for employee ideas

As part of the development of employee feedback channels, VTB created a special employee portal, *Gravity*, which can be accessed by any employee at the Bank. The portal is an online space where employees can publish their innovative ideas on optimising working processes and propose novel ideas on the development of the Bank and its products.

The aim of creating the portal was not only to find new, original development ideas, but also to break down boundaries and give every employee at VTB Bank a voice in the process.

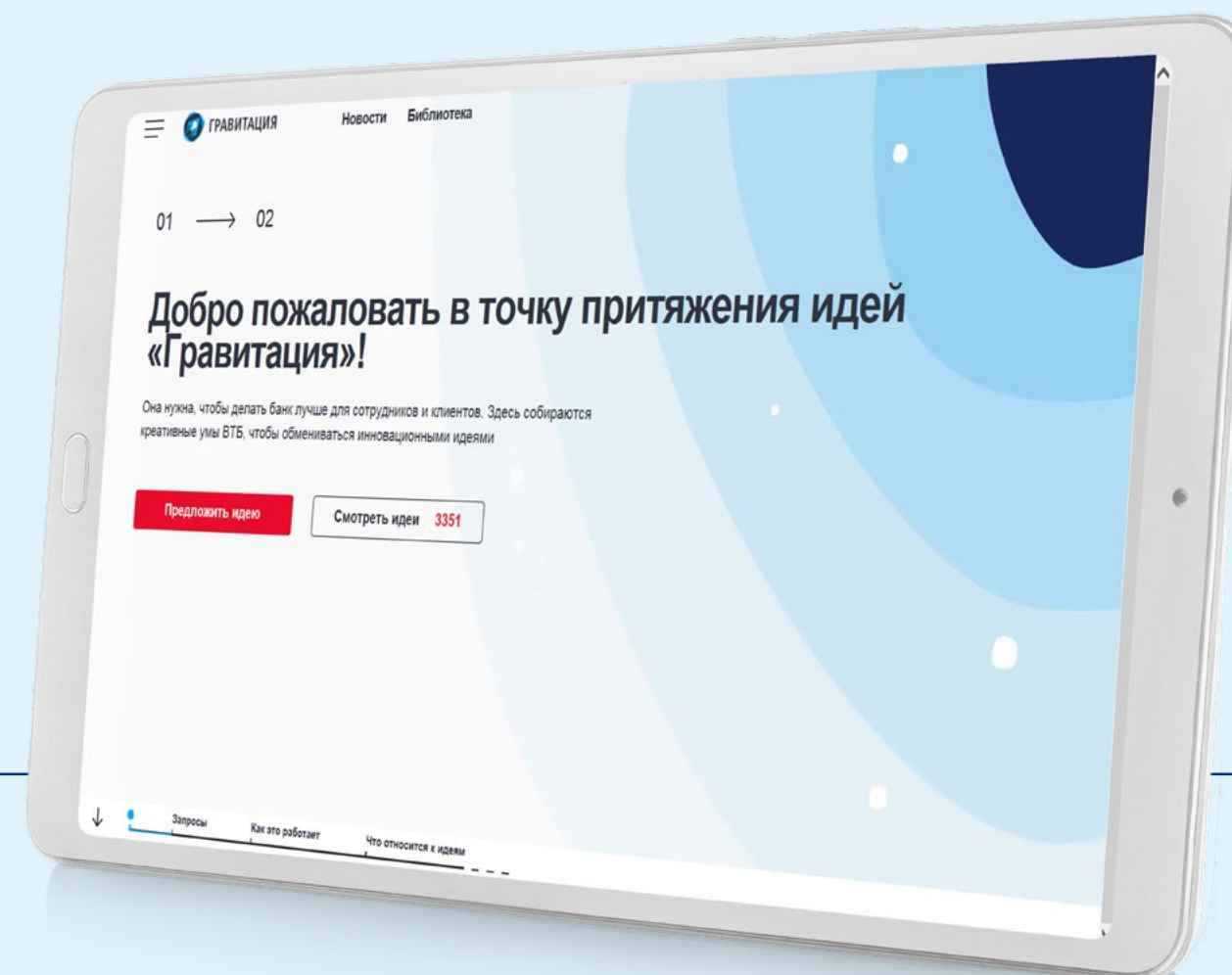
In 2020, over 20 thousand employees joined the portal, publishing 2.5 thousand ideas. Of these, over 70 were approved for implementation, while eight ideas have already been implemented in 2020. About 50 more ideas are planned for implementation in 2021.

>20
thousand Bank employees

joined the portal in 2020

2.5
thousand ideas

published



In addition to working with ideas of employees, the *Gravity* portal develops a number of projects aimed at strengthening communication between employees, developing corporate culture and internal communications, as well as increasing personnel motivation.

Key projects of the portal



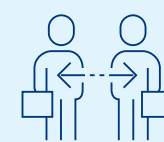
REQUESTS FROM DEPARTMENTS

Ability to collect ideas from all employees on how to solve the challenges faced by the Bank's branches



INNOVATION DIGEST

Weekly email newsletter for all portal users



VTB READERS' CLUB

Reviews of books read on the development of creativity, leadership, personal performance management, modern project management methods



INNOVATIVE YOUTH CLUB

A community for young employees to discuss and develop their ideas



CONTESTS FOR EMPLOYEES

In 2020, the portal hosted five contests, where about one thousand people took part



ГРАВИТАЦИЯ

Ensuring Work Safety

One of the VTB Group's most important social objectives is to ensure the right of employees to work safely.

The VTB Group occupational health and safety management system in place is aimed at creating a safe working conditions and protecting the health and life of employees.

As part of the Group's efforts to improve working conditions, occupational risk assessments and special assessments of labour conditions were carried out at 21,487 workplaces belonging to VTB Group companies in 2020.

In 2020, more than 24,240 employees of Group companies were trained in safe working techniques, as well as in the skills of providing first aid.

For the purpose of dynamic monitoring of health status, timely detection of diseases, initial forms of occupational diseases, early warning signs of occupational exposures to harmful and/

or hazardous factors on the health of VTB Group employees, 1,050 employees underwent medical examinations.

In 2020, the VTB Group had 24 injuries of varying severity. Each case was investigated in accordance with statutory requirements, followed by an analysis of the causes of injury.

Occupational Health and Safety at VTB Group

In accordance with the Occupational Safety and Health Policy, the priority areas for VTB Group companies in 2021 include:



Ensuring preservation of life and health of employees

1,050
people

received preventive examinations



Meeting the statutory requirements of occupational health and safety

>24.2
thousand employees

were trained in occupational health and safety



Improving and enhancing the effectiveness of the occupational health and safety management system based on analysis of workplace conditions combined with employee health assessment

21.5
thousand workplaces

of employees of the Group's companies underwent special assessment of working conditions

Primary areas of occupational health and safety

1 Occupational risk assessment

2 Special assessment of working conditions at workplaces

3 Training employees in safe work practices

4 Mandatory medical examinations and certifications

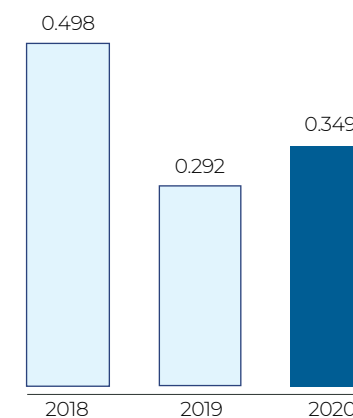
5 Investigation of accidents and subsequent analysis of their causes

6 Development and annual update of an action plan to improve working conditions and occupational health and safety and reduce occupational risks

VTB Group's accident frequency rates in 2018-2020

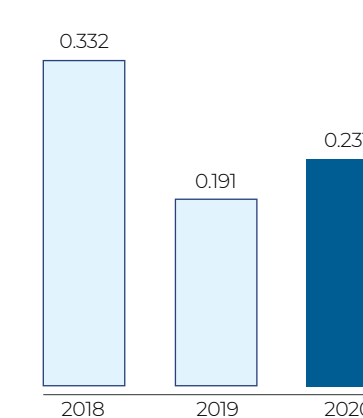
LTAFR

LOST-TIME ACCIDENT FREQUENCY RATE (THE NUMBER OF ACCIDENTS PER THOUSAND EMPLOYEES) [🔗](#)



LTIFR

LOST-TIME INJURY FREQUENCY RATE (THE NUMBER OF ACCIDENTS PER MILLION OF HOURS WORKED)



WE
connect

In 2020, as part of the *World Without Tears* long-term charitable programme, **26 child welfare institutions** received financial assistance for the purchase of necessary medical equipment, medicines, and consumables **totaling 75 million roubles**.

young
PATIENTS

TO

affordable
high-quality

MEDICINE



PROMOTING SOCIAL DEVELOPMENT IN THE REGIONS OF OPERATION

SIX MAJOR DEDICATED PROGRAMMES PROMOTE SPORTS, EDUCATION, HEALTHCARE, CULTURE, PRESERVATION OF TRADITIONS, AND BUSINESS DEVELOPMENT.



"We firmly believe that the economic performance and reputation of a reliable financial institution is inseparable from the social wellbeing of the population and the development of the regions of operation. Therefore, from year to year VTB conducts systematic work to improve the quality of life of people, making a significant contribution to the economic stability of the regions, showing concern for social development, maintaining cultural traditions and preserving the nature of the regions of operation".

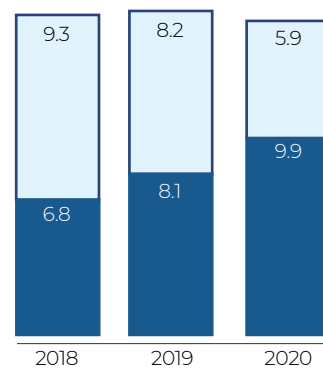
Natalia Germanova

Advisor to the President and Chairman of the Management Board, VTB Bank

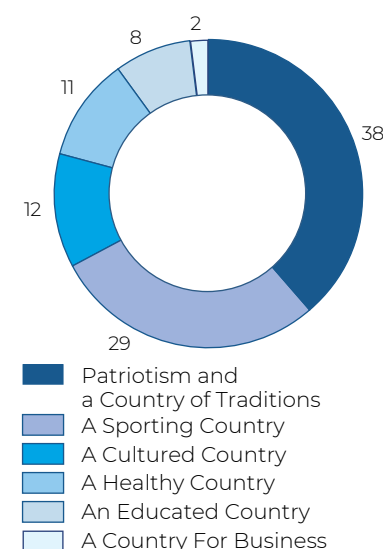
Management Approach

VTB makes a solid contribution to the social and economic well-being of the regions where it operates, supporting professional and amateur sports, stimulating education and healthcare improvement, and taking care of cultural traditions. VTB invests significant effort in supporting local communities, the sustainable development of the regions, contributes to positive changes in society.

VTB BANK'S SPENDING ON SPONSORSHIP AND CHARITY, RUB billion



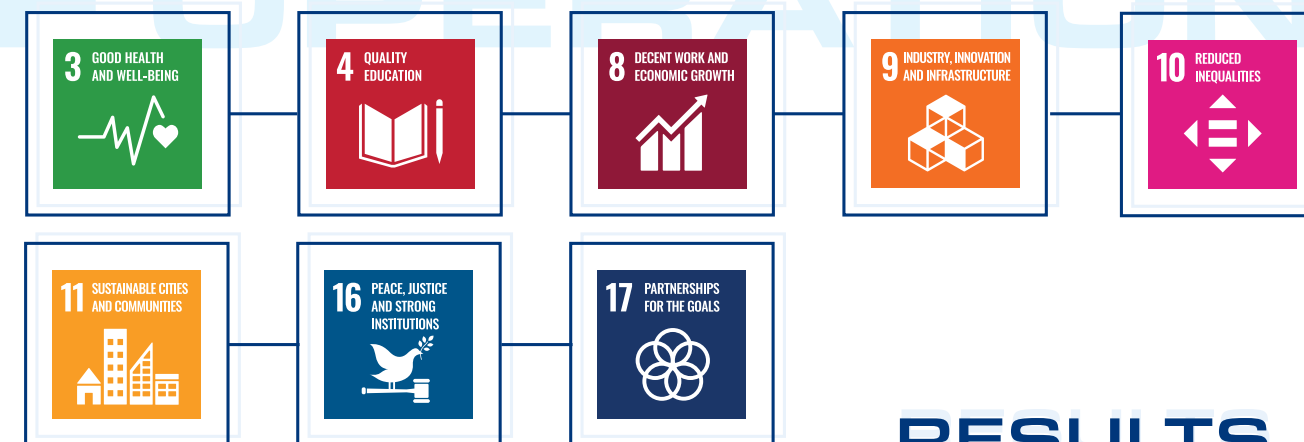
SPENDING BY DEDICATED PROGRAMME OF VTB BANK¹, %



In 2020, VTB took part in over 2,000 charity and sponsorship events, of which 51 were organised by the Bank. VTB Bank's total amount of support reached RUB 15.8 billion, with charity projects accounting for 37.4% (RUB 5.9 billion) and sponsorship projects 62.6% (RUB 9.9 billion) of the total. VTB Group as a whole spent a total of RUB 8.1 billion on charity in 2020.

In its sponsorship and charity activities, VTB maintained its previous approach of implementing six large-scale dedicated programmes: A Sporting Country, Patriotism and a Country of Traditions, A Cultured Country, A Healthy Country, An Educated Country and A Country for Business.

VTB also has a subgroup of strategic projects (long-term projects of national significance). In particular, VTB supports the development of Dynamo Club in various areas (hockey, football, rugby, gymnastics, women's basketball, football academy and others).



RESULTS

Sponsorship and Charity Committee

Decisions on expenditures for sponsorship and charity are made by the Sponsorship and Charity Committee, a permanent working collegial body of the Bank.

Moreover, the Committee oversees the designated use of allocated funds and reviews reports on the use of allocated funds.

63
sessions
conducted

143
solutions
in the field of
sponsorship

527
issues
reviewed

384
decisions
in the field of charity

VTB Country Charity Fund

VTB Strana
CHARITY FOUNDATION

305
projects
implemented in the
Russian Federation

47
regions
received support

~300
million RUB
transferred to charitable
projects

97
hospitals
received equipment
and medicines

100%
expense
reports

3
thousand
pensioners
received assistance
through the Anti-covid
programme

In order to coordinate and improve charitable activities in the regions of the Russian Federation, the corporate charity fund to support social initiatives and provide targeted aid, VTB Country, was registered in 2020 and became the main operator of regional charity projects, including the *World Without Tears* programme and aid to medical institutions in fighting the COVID-19 pandemic caused by a coronavirus infection.

¹ This indicator takes into account both sponsorships and charitable projects.

Key projects of dedicated programmes

A SPORTING COUNTRY

Support for professional sports and healthy lifestyles in the regions where the Group operates

2,513
million RUB

57
projects

Main projects

VTB Formula One Russian Grand Prix 2020

34 million video broadcast viewers

First ever virtual Formula One Russian Grand Prix
~100 thousand views

The *Sochi Autodrom* track hosted the VI International "Rezept-Sport" Wheelchair Half Marathon.

11 participants were members of the Russian national team for Paralympic sports

VTB is the general sponsor of the KAMAZ-Master Rally Team

Dakar 2020 Rally-raid
1st, 2nd, 4th places
538 million broadcast views

Gold of Kagan 2020 Rally-raid
1st, 2nd, 3rd places in the truck ranking and the general ranking among 60 crews

KAMAZ-master's participation in Formula One events in Sochi

Velobike public bikesharing service

Urban bikesharing service networks in Moscow, Murmansk and Nizhny Novgorod:

5.7 million rides per year

Events:

Good Bike Ride
>5 thousand participants

Moscow Music Bike Festival
500 participants



VTB Formula One Russian Grand Prix 2020

The Russian stage of Formula One today is one of the most prestigious international sporting events in the country. The race takes place in Sochi every year. The year 2020 was no exception: in September, despite the complicated epidemiological situation, the VTB Formula One Russian Grand Prix 2020 world championship round was held at the Sochi race track.

Due to strict observance of all required sanitary norms during the event, 120 thousand fans were able to watch the race. The race was broadcast live to more than 34 million people from around the world. For the fourth consecutive year VTB Bank became the title sponsor of the Russian Grand Prix, contributing to the development of professional motor sport in Russia and on the world level.

PATRIOTISM AND A COUNTRY OF TRADITIONS

Renewing national and religious values and preserving national heritage, fostering a sense of patriotism and an interest in Russian history, and supporting socially significant foundations

3,368 million RUB
125 projects

Main projects

Support of cultural and historical heritage sites



Valaam and New Jerusalem Monasteries



Peterhof State Museum-Reserve



The State Novgorod Museum-Reserve



Pavlovsk State Museum-Reserve



"Kizhi" State Historical Architectural and Ethnographic Museum-Reserve



State budgetary institution of the Republic of Crimea "Historical and Cultural Memorial Museum-Reserve *Cimmeria of M. Voloshin*"

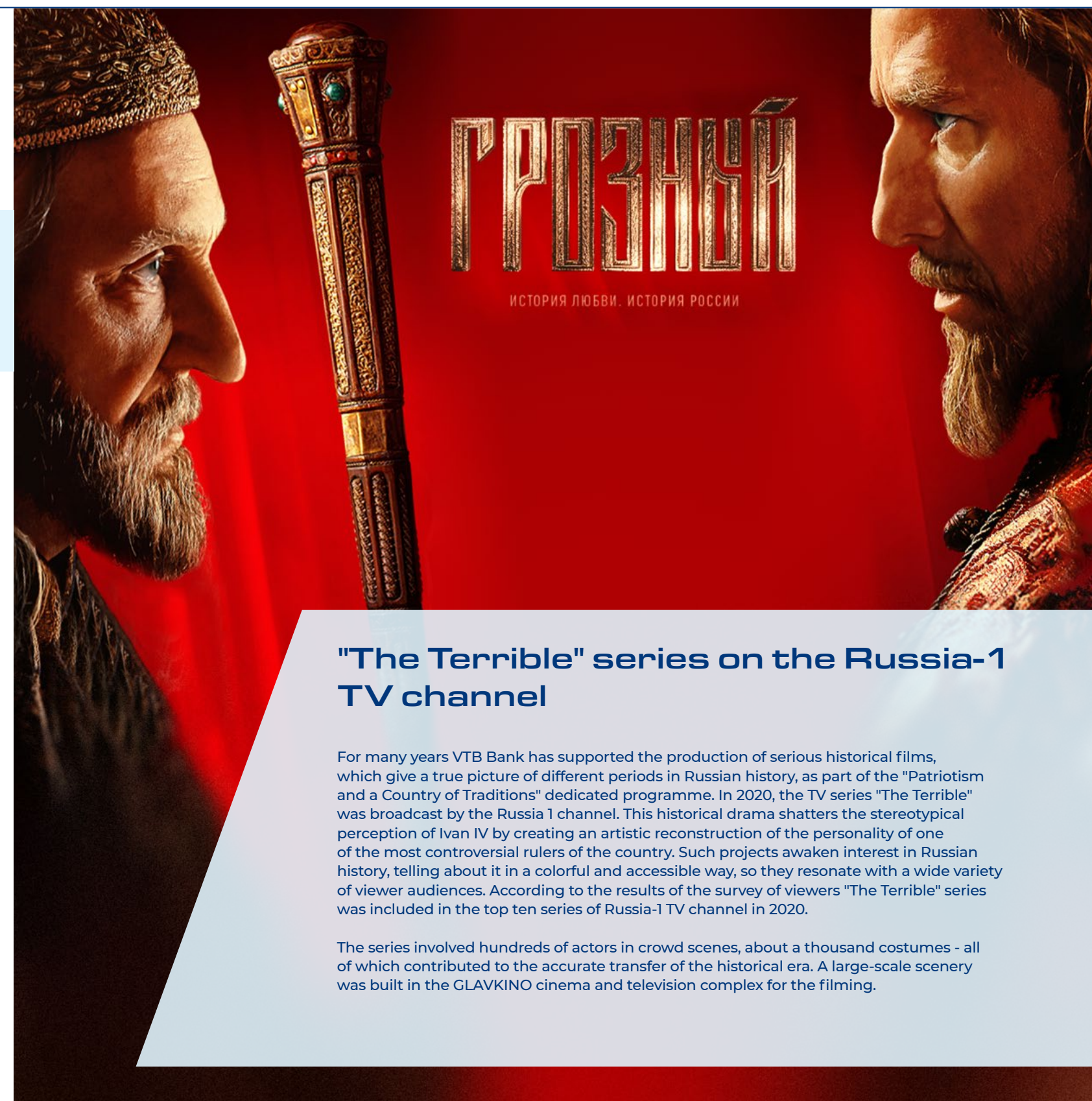
Support of historical movie projects

Feature film "Lev Yashin. The Dream Goalkeeper"

100 million viewers of the first run on TV

"The Terrible" TV series on Russia 1 TV channel

top 10 premiere series



"The Terrible" series on the Russia-1 TV channel

For many years VTB Bank has supported the production of serious historical films, which give a true picture of different periods in Russian history, as part of the "Patriotism and a Country of Traditions" dedicated programme. In 2020, the TV series "The Terrible" was broadcast by the Russia 1 channel. This historical drama shatters the stereotypical perception of Ivan IV by creating an artistic reconstruction of the personality of one of the most controversial rulers of the country. Such projects awaken interest in Russian history, telling about it in a colorful and accessible way, so they resonate with a wide variety of viewer audiences. According to the results of the survey of viewers "The Terrible" series was included in the top ten series of Russia-1 TV channel in 2020.

The series involved hundreds of actors in crowd scenes, about a thousand costumes - all of which contributed to the accurate transfer of the historical era. A large-scale scenery was built in the GLAVKINO cinema and television complex for the filming.

A CULTURED COUNTRY

Support for key Russian cultural institutions and their new projects, creative unions, and key channels for distributing cultural values¹

998
million RUB

74
projects

Main projects

Sponsorship of exhibitions

Exhibition "Artists and Collectors - For the Russian Museum. Gifts" dedicated to the 125th anniversary of the State Russian Museum

>82 thousand visitors
>11.5 million views of online tours in social networks

Exhibition "From Durer to Matisse" in The Pushkin State Museum of Fine Arts

50 thousand visitors at the opening ceremony

Exhibitions "Decorative Minimalism. "Thaw" in the Soviet porcelain" and "Dedication to Dmitry Vinogradov. Birth of porcelain "from the Russian land" at the State Hermitage Museum

>50 thousand visitors

"Unknown Berlin. May 1945" themed programme in the Jewish Museum and Tolerance Centre

60 thousand online visitors

VTB - general sponsor / partner of leading theaters

The State Academic Mariinsky Theatre

Road tour of Valery Gergiev and the Mariinsky Theater, over **50 thousand** audience members;

II "Zaryadye" International Festival, over **30 thousand** audience members;

> 132 million concert broadcast views

The St. Petersburg State Academic Ballet Theatre of Boris Eifman

A screening of the ballet-movie "The Brothers Karamazov", more than – **200 thousand** views

The Moscow's P. Fomenko Workshop Theatre

Daily online project "Extracurricular Readings" – **128 thousand** views;

Online broadcast of the "Twelfth Night" and "Three Sisters" performances in Yandex.Efir – **177 thousand** views

The Yevgeny Vakhtangov State Academic Theater

75 free online broadcasts of performances – **150 thousand** views

Establishment of a cultural and educational centre and rehearsal facility for the musicAeterna orchestra and choir at the Radio House

VTB Bank was a general partner for the creation of a cultural and educational centre and rehearsal facility for the musicAeterna orchestra and choir, one of Russia's most popular musical bands led by Theodor Kurentzis. The goals of this project are to preserve and enrich the legacy of classical music, initiate students and young people into academic music, and educate a wide audience in the field of culture and art.

St. Petersburg Radio House, which served as a basis for the cultural and educational centre opening, has united creative and educational programmes, authors' experimental and research projects covering all fields of contemporary art. In half a year of work more than 5 thousand people visited the events in the Radio House, and about 80 thousand viewers got access to video recordings of the cultural centre's educational programmes.

In the context of the COVID-19 pandemic restrictions, a digital platform was launched in 2020, containing unique content from the musicAeterna band, allowing to stay in touch with the audience and live up to the creative potential of the artists. The audience of the platform amounted to 79 thousand people and continues to grow.

¹ The programme gives priority to projects that help achieve Russia's strategic objectives for 2024 envisaged by a national project called *Culture*.

A HEALTHY COUNTRY

Charity support for healthcare providers and projects related to developing advanced healthcare technology¹

959
million RUB

71
projects

Main projects

World Without Tears Programme

Support was lent to
26 hospitals
in **23 regions** of the Russian Federation

~3 thousand participants
in the campaigns (offline
and online) during the year

RUB 75 million -
the total annual amount of support
under the programme

Healthy Moscow Assembly

Participation of international
experts from over **200 countries**

>60 thousand visitors

Topics:

- digitalisation of medicine;
- fight against cancer;
- medicine in big cities, etc.

Financing Research and Development

Fund for support and development
in the field of pediatric hematology,
oncology and immunology *Science
for Children*

International Clinic of Cardioangiology
ANO

Lomonosov Moscow State University
Fundamental Medicine Department
- purchase of laptops and specialised
software for scientific research
(calculation of mathematical models
of pandemic development)



World Without Tears Programme

The *World Without Tears* charity programme was launched in 2003. Since then more than a hundred children's hospitals in 52 Russian regions have received financial support from VTB Bank. A total of RUB 300 million was allocated for this purpose.



"Supporting Russian healthcare is one of the most important areas of VTB Bank's social activities. The aim of the *World Without Tears* programme is to make medical services as accessible and high quality as possible to children across Russia. Each year the Bank expands the geography of the project and includes hospitals in regions where no campaigns have previously been held. In 2020 the campaign was held for the first time in Birobidzhan, Jewish Autonomous region".

Natalia Kochneva

Head of Corporate Social Responsibility and Event Marketing - Senior Vice President

In 2020, the *World Without Tears* programme campaigns took place in 26 medical institutions, four of which are in Moscow and 22 in the regions of the Russian Federation. Support is provided both to regional hospitals for the purchase of vital equipment and to federal hospitals, where children from all over the country are treated. In particular, VTB Bank provided Speransky Hospital, the largest children's medical institution in Russia, with funds to purchase equipment for its radiology and endoscopy

departments. The total amount of support under the *World Without Tears* programme in 2020 amounted to RUB 75 million.

¹ This programme contributes to the goals of the Health and Ecology national projects (read more about charitable environmental projects in the section *Environmental Impact Management*).

AN EDUCATED COUNTRY

Improving the quality of financial and economic education, improving educational infrastructure, developing scientific potential, and high technology

654
million RUB

177
projects



Main projects

VTB is a strategic academic partner of GSOM SPbU¹

The main directions of the business school development strategy until 2025 were developed and approved

Master in Corporate Finance and Master in Business Analytics and Big Data master's programmes were updated

"Finance. Expanding horizons" winter school. VTB Bank and Higher School of Economics (as part of the *I am a Professional* skills contest)

147 student participants

38 regions of Russia

65 partner universities

Educational online marathon *One step ahead* for finalists and participants of the VTB personal grants competition

9 thousand student participants

Topics of speakers' presentations:

- motivation and goal-setting;
- technology and innovation;
- career management, etc.

Financial support for educational institutions

10 leading Russian universities received funding, including for the renovation of IT systems (GSOM SPbSU, Higher School of Economics, MGIMO, Moscow State University, Financial University, Moscow Higher School of Social and Economic Sciences, FEPU, Russian University of Theatre Arts, All-Russian State Institute of Cinematography)

250 educational institutions in more than **120 cities** of Russia had the opportunity to:

- upgrade their logistics base;
- renovate classrooms, lecture halls, and gyms;
- campus projects were implemented at many universities.

Support of play areas in the mini-bank format in KidBurg children's cities of professions

Virtual Soft Skills Academy for elementary school children (grades 1-4)

>3.6 thousand people completed a financial literacy course provided by VTB

12 locations in eight cities:

- Moscow;
- Saint Petersburg;
- Voronezh;
- Novosibirsk;
- Nizhny Novgorod;
- Rostov-on-Don;
- Samara;
- Yaroslavl.

¹ The Graduate School of Management at St. Petersburg State University.

In 2020, with the active participation of VTB, a development strategy for GSOM SPbU for the next five years was developed. VTB participation as one of the largest employers in the country allowed to take into account the interests of the labour market as clearly as possible, as well as to create a set of the most effective tools to achieve the objectives.

Within the implementation of GSOM-2025 strategy the School jointly with VTB updated the Master in Corporate Finance (MCF) programme. The key task of the programme relaunch is to bring the graduate profile as close as possible to the needs of the labour market in the financial field. The authors of the courses are not only university professors, but also representatives of business: practitioners, current employees of the financial departments of major Russian and international companies.

The *Master in Business Analytics and Big Data* programme, which trains managers in data analytics, machine learning or artificial intelligence project management, has also been improved. GSOM SPbU with the support of VTB strengthened the practical orientation of the training: a fully-fledged technology track was integrated into the programme, supported by a modern technological platform that allows students to try out modern IT solutions for working with data with their own hands.



"When VTB became part of the Advisory Board of Graduate School of Management at St. Petersburg State University in 2007, we noticed a similarity between our goals - the Bank's ambition to be a global financial institution and the business school's ambition to become a global player in the education market. Both organisations have long been integrated into the global business environment: VTB is a global player on the financial market, GSOM SPbU is a global business school. Both are united by the notion of 'management'. Everybody needs good managers".

Olga Dergunova

*Deputy President and Chairman of the Management Board of VTB Bank,
Director of GSOM SPbU*

Strategic Academic Partnership with Graduate School of Management at St. Petersburg State University

VTB and GSOM SPbU have been cooperating for almost 15 years. Since then the business school has become one of the leaders in the Russian education market, combining best academic practices and innovative ideas. In the *Financial Times* rating, GSOM SPbU ranks 51st in the world; in 2020, the business school moved up by two lines. The next goal is to become one of the top 50 in the world and one of the top 30 in Europe.



A COUNTRY FOR BUSINESS

Sponsorship and organisation of federal and international business events

1800
million RUB

366
projects



Main projects

Organising the VTB Capital's annual investment forum named **RUSSIA CALLING!**

> **Over 2.5 thousand** guests, including

>**500** investors

600 international delegates from 68 countries, government officials and heads of leading global corporations

3.1 million viewers of the video broadcasts

General sponsorship of the *Strong Ideas for a New Time* forum

15 thousand contest applications with ideas

Contest objectives:

- Restarting the economy and social sector;
- Elaborating a technological strategy for the country's development;
- Organising teams ready to implement their ideas and projects, replicating practices capable of ensuring Russia's sustainable development in the new economic environment

300 ideas made it to the finals

Support for the *Startup Village 2020* online conference for first-time entrepreneurs and investors in partnership with the Skolkovo Forum ANO

80 interactive virtual sessions on technology trends, the development of new markets, transformation of business models and integrating breakthrough technologies into business practices

VTB Bank receives official status as a Skolkovo Foundation key partner

Three-year plan for an IT partnership, including the creation of VTB's own research centre at the Skolkovo Innovation Centre

1.7 million audience members

Sponsorship of other business forums

World Economic Forum in Davos

CIS + WORLD International Economic Forum

Russian Business Weeks (annual forum of the Russian Union of Industrialists and Entrepreneurs)

Moscow Financial Forum

The XII Ural Forum named Information Security of Financial Environment

Investment Forum named *RUSSIA CALLING!*

The *RUSSIA CALLING!* Investment Forum in 2020 was organised in an online format for the first time. The Forum was broadcast on leading Russian and international media platforms and was accessible to viewers around the world. The Forum had participants and viewers from 103 countries. The online audience reached over 3 million viewers.

The forum discussed issues such as the development of the global economy under the COVID-19 pandemic, central bank monetary policy, labour productivity and employment, financial instruments in a changed reality, transformation and adaptation of business processes in a new environment and technologies for a secure future. During the two days of the forum, the participants were able to identify the tools that would help to cope with the consequences of the pandemic as efficiently as possible. The forum included a macroeconomic plenary session with Russian President Vladimir Putin.

Инвестиционный форум ВТБ Капитал
РОССИЯ ЗОВЕТ!
RUSSIA CALLING!
VTB Capital Investment Forum

ABOUT THIS REPORT

THIS 2020 VTB GROUP SUSTAINABILITY REPORT IS THE 13TH NON-FINANCIAL REPORT ISSUED BY THE VTB BANK. THIS REPORT IS PUBLISHED ANNUALLY AND IS AN INTEGRAL PART OF THE GROUP'S ANNUAL REPORTING. IT HAS BEEN CREATED FOR EMPLOYEES, CUSTOMERS, SHAREHOLDERS, INVESTORS, LOCAL COMMUNITIES, AND NON-PROFIT ORGANISATIONS. THE REPORT IS INTENDED TO INFORM STAKEHOLDERS OF THE VTB GROUP'S SUSTAINABILITY ACTIVITIES DURING THE REPORTING PERIOD.

Contents of the Report

Entities falling within the scope of the Report were determined on two criteria: control over the entities' activities (more than 50% of voting shares held by VTB Bank) and/or importance in terms of the entities' economic, social, and environmental aspects.

Unless otherwise indicated, the financial information regarding the VTB Group is presented as stated in VTB Bank's consolidated financial statements as of 31 December 2020, prepared in accordance with International Financial Reporting Standards.

Approach to determining material topics

This Report presents information on Group companies' sustainable development activities. As the Group's reporting systems differ, some of the quantitative indicators presented in this report refer only to the Bank's performance.

This Report has been prepared in accordance with the GRI Standards: Core Option. In order to comply with the recommendations of the GRI Standards, a procedure was conducted to identify material topics that had to be included in the Report, including a stakeholder survey.

Identifying material topics to be included in the 2020 Sustainability Report

THE VTB GROUP OF COMPANIES FALLING WITHIN THE SCOPE OF THE REPORT

			VTB BANK'S OWNERSHIP INTEREST AS OF 31 DECEMBER 2020 (PERCENTAGE)
COUNTRY	FULL NAME	TYPE OF BUSINESS	
Russia	VTB Bank (PJSC)	Bank	–
	VTB Capital JSC ¹	Finance	100.00
	Vozrozhdenie Bank (PJSC)	Bank	100.00
	Sarobiznesbank PJSC	Bank	84.36
	Zapsibkombank PJSC	Bank	100.00
	HALS Development PJSC	Real estate	99.76
	UK Dinamo JSC	Real estate	75.00
	VB Service LLC	Facility operation and maintenance	100.00
	VTB Factoring LLC	Factoring	100.00
	VTB Leasing JSC	Leasing	100.00
	VTB Specialised Depository JSC	Custodial institution (Non-bank)	100.00
	VTB Pension Fund JSC	Pension fund	100.00
	VTB Registrar JSC	Registrar	100.00
CIS and Georgia	VTB Bank (Armenia)	Bank	100.00
	VTB Bank (Belarus)	Bank	100.00
	VTB Bank (Azerbaijan)	Bank	100.00
	VTB Bank (Georgia)	Bank	97.38
	VTB Bank (Kazakhstan)	Bank	100.00
Europe	VTB Bank (Europe)	Bank	99.39



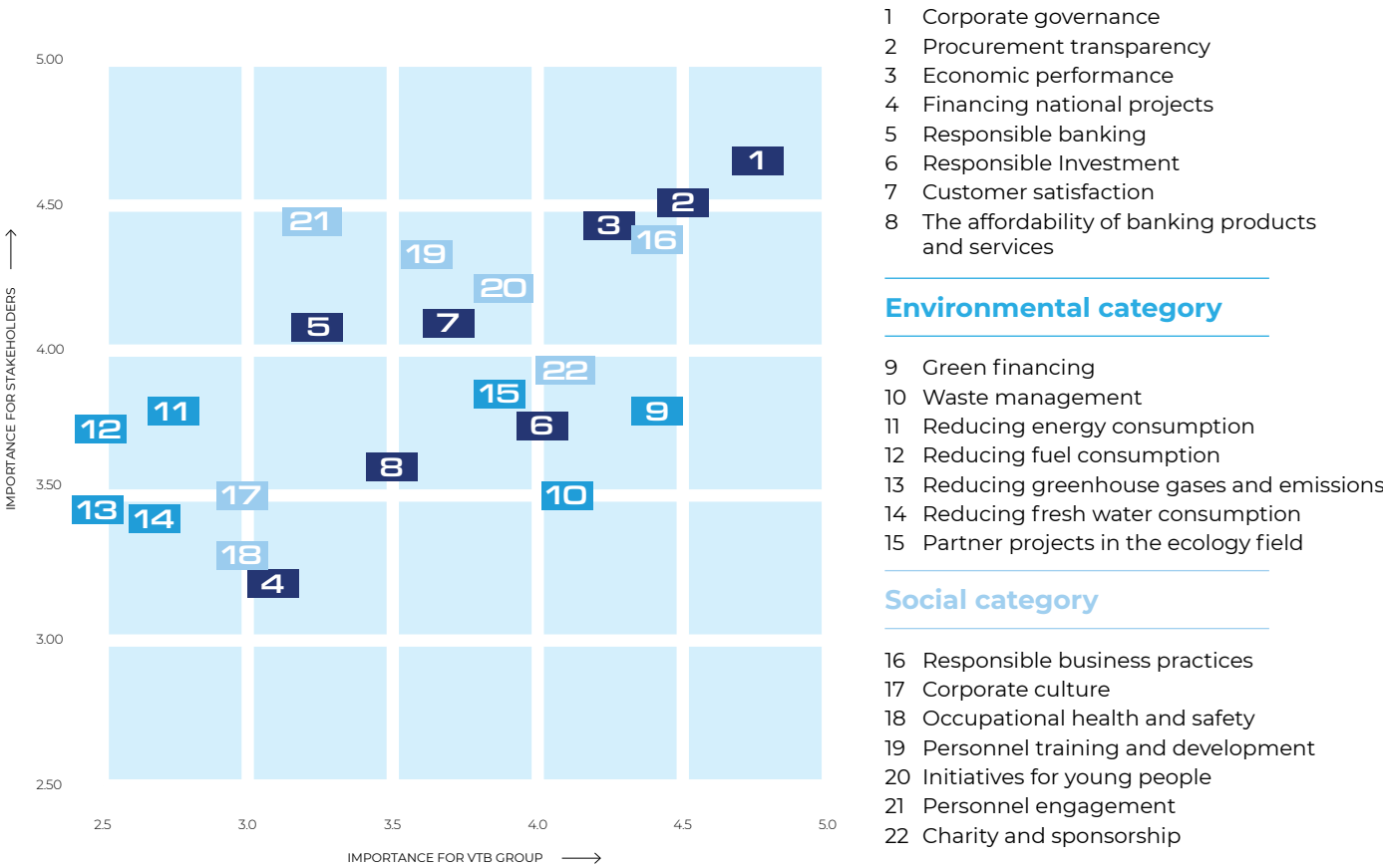
¹ Including the subsidiaries VTB Capital JSC and VTB Capital PLC

Based on the results, a materiality matrix is developed and reflects the most significant aspects of sustainability-related Group activities as viewed by its internal and external stakeholders, as well as their impact on achieving strategic goals.

To ensure the quality of the Report, the Group followed the principles of balance, comparability, accuracy, timeliness, reliability, and clarity, as defined in GRI Standards. Information for this Report was collected and consolidated by the relevant functional divisions of VTB Group companies.

ENGAGEMENT TO OBTAIN LIMITED ASSURANCE ON THE MATERIAL INDICATORS IS DISCLOSED IN THE REPORT
The Bank engaged with external experts to gain and independent assurance of the selected performance indicators presented in this Report. The assessment focused on material indicators of the VTB Group's sustainability activities in the reporting period.

VTB Group materiality matrix



VTB GROUP'S MATERIAL INDICATORS SUBJECT TO INDEPENDENT ASSURANCE

INDICATOR	DESCRIPTION
Charitable donations, RUB billion	These refer to charitable contributions made by Group companies (within the scope of the Group's consolidated financial statements) within the reporting period. Where charitable donations were made in foreign currencies, these were converted into roubles using the average exchange rate from the Bank of Russia for the year.
Number of sales offices, including number of sales offices in underpopulated and economically underdeveloped regions of Russia	The number of sales offices is determined by summing up the offices of Group banks, excluding retail desks and POS terminals. Sales offices in underpopulated and economically underdeveloped regions are those located in regions with a lower population density (less than 50% of Russia's average) or lower income per capita (less than 65% of Russia's average), according to state statistics.
Electric energy consumption, thousand kWh	The amount of electricity consumed by all Group companies in the reporting period.
Paper consumption, tonnes	The volume of paper consumption by all Group companies in the reporting period. The amount of paper consumed was determined by converting the number of paper packs used into metric tonnes. Where there was no information on the weight of an A4 or A3 sheet pack, average values were used (2.5 kg and 4.8 kg), respectively
Fuel (petrol and diesel) consumption, thousand litres	The volume of fuel consumption by all Group companies in the reporting period, which was limited to the fuel consumed by vehicles on the books.
Direct and indirect GHG emissions, in tonnes of CO ₂ equivalent	This refers to direct (Scope 1) and indirect (Scope 2) energy GHG emissions by all Group companies in the reporting period. Direct GHG emissions were determined based on the amount of fuel (gasoline and diesel) consumed. Indirect GHG emissions were determined based on the amount of electricity and heat energy consumed.
Average headcount, people	<p>The average headcount is an amount of Group companies' employees for each calendar day of a given month in the reporting period (including weekends and holidays) and is divided by the number of calendar days in that month. The average headcount for the reporting period is the number of Group companies' employees for all months within the reporting period (including weekends and holidays) divided by the number of months in the reporting period.</p> <p>Part-time employees as defined by their employment contracts are counted proportionally to the number of hours of work.</p> <p>The average headcount does not include:</p> <ul style="list-style-type: none">• women who were on maternity leave or extended child-care leave;• employees who were on unpaid leave to undertake a course of study at an educational institution or to take entrance exams to be admitted to an educational institution.
Accident frequency rate	This refers to the accident frequency rate across all Group companies (within the scope of the Report) in the reporting period. The accident frequency rate is calculated by the number of accidents per one thousand employees.
Headcount by gender and employee category	This refers to the number of full-time employees, excluding external part-time employees and independent contractors at the end of the reporting period. A part-time employee on an employment contract counts as one employee in the said headcount. The data is broken down by employee category (full-time/part-time) and by gender.
Average hours of training per year per employee	This refers to the total hours of employee training divided by the average headcount for the said period (within the scope of this Report, excluding VB Servis LLC and Sarovbiznesbank PJSC).
Employee turnover	The total employee turnover (outflow of staff) indicator is calculated as the ratio of the total of employees who left the company of their own accord, were terminated for other reasons, retired, or died as an employee of the company to the average headcount.



Ernst & Young LLC
Sadovnicheskaya Nab., 77, bld. 1
Moscow, 115035, Russia
Tel: +7 (495) 705 9700
+7 (495) 755 9700
Fax: +7 (495) 755 9701
www.ey.com/ru

ООО «Эрнст энд Янг»
Россия, 115035, Москва
Садовническая наб., 77, стр. 1
Тел.: +7 (495) 705 9700
+7 (495) 755 9700
Факс: +7 (495) 755 9701
ОКПО: 59002827
ОГРН: 1027739707203
ИНН: 7709383532

Translation of the original Russian version

Independent practitioner's assurance report

To the Supervisory Board of PJSC VTB Bank

Subject matter

We have been engaged by PJSC VTB Bank to perform a limited assurance engagement, as defined by International Standards on Assurance Engagements, (herein 'the Engagement'), to report on PJSC VTB Bank (hereinafter 'the Bank') material performance indicators included in the Sustainability Report and identified there by the '🔗' symbol (hereinafter 'the Indicators'), as of 31 December 2020 or for 2020 (hereinafter 'the reporting period'):

- ▶ Number of sales offices including number of sales offices in underpopulated and economically underdeveloped regions of Russia (pages 7, 87 of the Report);
- ▶ Average headcount (pages 117, 165 of the Report);
- ▶ Headcount by gender and employee category (pages 6, 117, 165 of the Report);
- ▶ Average hours of training per year per employee (pages 6, 118, 124 of the Report);
- ▶ Total employee turnover (outflow of staff) (page 6 of the Report);
- ▶ Charitable donations made (pages 7, 138 of the Report);
- ▶ Accident frequency rate (page 135 of the Report);
- ▶ Electric energy consumption (pages 6, 111 of the Report);
- ▶ Direct and indirect GHG emissions (page 111 of the Report);
- ▶ Fuel (petrol and diesel) consumption (pages 6, 111 of the Report);
- ▶ Paper consumption (pages 6, 111 of the Report).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Applicable criteria

In preparing the Indicators the Bank applied the sustainability reporting principles of the Bank as set forth in the chapter 'About this Report' of the Report (hereinafter 'the Criteria').

The Bank's responsibilities

The Bank's management is responsible for selecting the Criteria, and for presenting the Indicators in accordance

with the Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the Indicators, such that these are free from material misstatement, whether due to fraud or error.

The Practitioner's responsibilities

Our responsibility is to express a conclusion on the presentation of the Indicators based on the evidence we have obtained.

We conducted our assurance engagement in accordance with International Standard for Assurance Engagements (revised) "International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" (hereinafter 'ISAE 3000'). ISAE 3000 requires that we plan and perform our engagement to obtain limited assurance about whether, in all material respects, the Indicators are presented in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality control

We apply International Standard on Quality Control 1 (ISQC 1), and accordingly, we maintain a robust system of quality control, including policies and procedures documenting compliance with relevant ethical and professional standards and requirements in law or regulation.

We comply with the independence and other ethical requirements of the IESBA Code of Ethics for Professional Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Summary of work performed

The assurance engagement performed represents a limited assurance engagement. The nature, timing and extent of procedures performed in a limited assurance engagement is limited compared with that necessary in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within information technology systems.



Translation of the original Russian version

A limited assurance engagement consists of making inquiries, primarily of persons responsible for preparing the Indicators and related information, and applying analytical and other appropriate procedures.

Our procedures included:

- ▶ Inquiries of the representatives of the Bank management and specialists responsible for its sustainability policies, activities, performance and relevant reporting,
- ▶ Analysis of key documents related to Bank sustainability policies, activities, performance and relevant reporting,

- ▶ Obtaining understanding of the process used to prepare the information on Indicators,
- ▶ Review of data samples regarding Indicators for the reporting period, to assess whether these data have been collected, prepared, collated and reported appropriately.

We also performed such other procedures as we considered necessary in the circumstances.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Indicators are not represented fairly, in all material respects, according to the Criteria.

A.F. Lapina
Partner
Ernst & Young LLC
02 June 2021

Details of the entity

Name: PJSC VTB Bank
Record made in the State Register of Legal Entities on 22 November 2002, State Registration Number 1027739609391.
Address: 11, Lit. A Degtyarny Lane, Saint-Petersburg, 191144, Russia.

Details of the independent practitioner

Name: Ernst & Young LLC
Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.
Address: Russia 115035, Moscow, Sadovnicheskaya naberezhnaya, 77, building 1.
Ernst & Young LLC is a member of Self-regulatory organization of auditors Association "Sodruzhestvo". Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 12006020327.

APPENDICES

Membership in Business Associations

VTB GROUP COMPANY	BUSINESS ASSOCIATIONS
VTB Bank (PJSC)	American Chamber of Commerce in Russia (AmCham)
	Asia-Pacific Economic Cooperation Business Advisory Council
	SME Corporation
	London Bullion Market Association
	International Capital Market Association
	International Chamber of Commerce
	National Council on Corporate Governance
	Russian Union of Industrialists and Entrepreneurs
	Climate Partnership of Russia
	National Securities Market Association
	CIS Financial and Banking Council
	Russian Managers Association
	Association of Banks of Russia
	Association of Corporate Treasurers
Vozrozhdenie Bank PJSC	Opora Russia (Moscow region and Volgograd region offices)
	Moscow region, Chamber of Commerce and Industry
	National Association of Securities Market Participants
	National Finance Association
Zapsibkombank PJSC	Association of Banks of Russia
	Association of Tyumen region Lending Institutions
	National Finance Association
	Regional Association of Tuymen region Employers
Yamalo-Nenets Autonomous Area Chamber of Commerce and Industry	
VTB Factoring	Association of Factoring Companies
	Factors Chain International
VTB Pension Fund	National Association of Non-Governmental Pension Funds

VTB GROUP COMPANY	BUSINESS ASSOCIATIONS
VTB Capital	American Chamber of Commerce in Russia (AmCham)
	National Association of Securities Market Participants
	Association of Corporate Lawyers
	Russian National SWIFT Association
	Russo-British Chamber of Commerce
	British Bankers Association
	Association of Foreign Banks
	Association for Financial Markets
	German–Bulgarian Industrial and Commercial Chamber
	International Capital Markets Association
	Association of Banks in Singapore
	Financial Industry Disputes Resolution Centre (Singapore)
	Singapore Business Federation
VTB Registrar	National Securities Market Association
	National Settlement Depository
VTB Specialised Depository	National Association of Securities Market Participants
VTB Bank (Kazakhstan)	Kazakhstan Taxpayers Association
	Financial Institutions' Association of Kazakhstan
	Kazakhstan Stock Exchange
	Kazakhstan Deposit Insurance Fund
	Society for Worldwide Interbank Financial Telecommunication (S.W.I.F.T. SCRL)
	Council of Representatives of Banking Ombudsman
	Damu Entrepreneurship Development Fund
VTB Bank (Azerbaijan)	Azerbaijan Banks Association
	National Confederation of Entrepreneurs of Azerbaijan Republic
	Azerbaijani–Russian Chamber of Business Cooperation
	United States–Azerbaijan Chamber of Commerce
VTB Bank (Armenia)	Union of Banks of Armenia
VTB Bank (Belarus)	Association of Belarusian Banks
	Association of Securities Market Participants of the Republic of Belarus
VTB Bank (Georgia)	Association of Banks of Georgia
VTB Bank (Europe)	International Capital Market Association

Abbreviations

The principal initialisms and abbreviations used in this 2020 Sustainability Report are listed in the table below.

ABBREVIATED NAME	FULL NAME
Bank, VTB Bank	VTB Bank (PJSC)
CJSC	Closed joint-stock company
CSR	Corporate social responsibility
ESG	After the Eng. Environmental - ecology, Social - social development, Governance - corporate governance
FGUP	Federal state unitary enterprise
GRI	Global Reporting Initiative
GC	Group of Companies
GUP	State Unitary Enterprise
Housing & Utilities	Housing and public utilities
IFRS	International Financial Reporting Standards
JSC	Joint-stock company
LLC	Limited liability company
MM	Mass Media
OJSC	Open joint-stock company
PJSC	Public joint-stock company
RES	Renewable energy source
Report	2020 VTB Group Sustainability Report
RIA	Russian Implementation Agency
RUIE	Russian Union of Industrialists and Entrepreneurs
SME	Small and medium-sized enterprise
Supervisory Council	VTB Bank (PJSC) Supervisory Council
UN	United Nations
VTB Bank (Armenia)	ZAOVTB Bank (Armenia) CJSC
VTB Bank (Belarus)	VTB Bank (Belarus) CJSC
VTB Bank (Georgia)	VTB Bank (Georgia) JSC
VTB Bank (Kazakhstan)	VTB Bank (Kazakhstan) JSC branch office
VTB Bank (Europe)	VTB Bank (Europe) CE
VTB Capital	Holding VTB Capital JSC
VTB Leasing	VTB Leasing JSC
VTB Pension Fund	VTB Pension Fund JSC, non-state pension fund
VTB Registrar	VTB Registrar JSC
VTB Factoring	VTB Factoring LLC
VTB, Group, VTB Group	VTB Group (within the scope of this Report)

GRI Standards Reference Table

INDICATOR	DEFINITION	REPORT SECTION / NOTE	PAGE OF REPORT	EXTERNAL ASSURANCE
GENERAL DISCLOSURES				
102–1	Name of the organisation	About this Report	156	
		Contact information	171	
102–2	Primary brands, products and services	Business model and market presence	24-25	
		Events and results of the year	26-27	
102–3	Location of headquarters	Contact information	171	
102–4	Location of operations	Business model and market presence	24-25	
		Events and results of the year	26-27	
		About this Report	156	
102–5	Ownership and legal forms	About the report	156	+ number of sales offices
102–6	Markets served	Business model and market presence	24-25	
102–7	Scale of the organisation	Key Sustainable Development Indicators	6-7	
		Business model and market presence	24-25	
		Events and results of the year	26-27	
102–8	Information on employees and other workers	About this Report	156	+ average headcount, headcount by gender and employee category
		Accessibility of retail banking services	87	
		Key Sustainable Development Indicators	6-7	
		VTB team	116-117	
		The headcount of VTB Group employees in 2020 was 75,748 (22,695 males and 53,053 females)		
102–9	Supply chain	The average headcount of VTB Group employees in 2020 was 68,726 people		
		The number of full-time VTB Group employees in 2020 was 75,155 (22,515 males and 52,640 females)		
		The number of VTB Group employees working part-time in 2020 was 593 (178 males and 415 females)		
102–10	Significant changes to the organisation and of its supply chain	Responsible procurement approach	51-52	
		About this Report	156-159	

INDICATOR	DEFINITION	REPORT SECTION / NOTE	PAGE OF REPORT	EXTERNAL ASSURANCE
102-11	Precautionary principle or approach	The Group does not explicitly utilise the precautionary principle		
102-12	External initiatives	The VTB Group endorses the Banks Against Money Laundering Declaration and the Russian Anti-Corruption Charter for Business		
102-13	Membership of associations	Appendix. Membership of business associations	162-163	
102-14	Statements from Chairman of the Board of Directors and Chairman of the Management Board	Statement from Andrey Kostin, President and Chairman of the Management Board	2-5	
102-15	Key impacts, risks, and opportunities	Statement from Andrey Kostin, President and Chairman of the Management Board	2-5	
		Business model and market presence	24-25	
		Sustainability management	38-39	
		Sustainability risk management	46-47	
102-16	Values, principles, standard and norms of behaviour	VTB's mission, vision and strategy https://www.vtb.ru/o-banke/gruppa-vtb/missiya-i-cennosti/	28-29	
102-18	Governance structure	Corporate governance www.vtb.ru	40-45	
102-35	Remuneration policies for the highest governance body and senior executives	www.vtb.ru		
102-40	List of stakeholder groups	Stakeholder Engagement	53-63	
102-41	Collective bargaining agreements	No collective bargaining agreements in place		
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	53-63	
102-43	Approach to stakeholder engagement	Stakeholder Engagement About this Report	53-63 157-158	
102-44	Key topics and highlighted concerns	Stakeholder Engagement About this Report	53-63 157-158	
102-45	Entities included within the consolidated financial statements	About this Report	156	
102-46	Defining Report content and topic boundaries	About this Report	157-158	
102-47	A list of the material topics identified in the process for defining Report content	About this Report	157-158	

INDICATOR	DEFINITION	REPORT SECTION / NOTE	PAGE OF REPORT	EXTERNAL ASSURANCE
102-48	Restatements of information and reasons for the changes	Methods for calculating greenhouse gas emissions was updated in 2020. Thermal energy has also been taken into account regarding calculating indirect energy greenhouse gas emissions (Scope 2). Data for previous reporting periods were recalculated in accordance with the updated methodology		
102-49	Changes in reporting	The data disclosed in this Report has been gathered according to an updated scope. In particular, the environmental indicators include data on the following companies: Hals Development and UK Dinamo. These companies were not included in the scope of environmental indicators disclosed in the Sustainability Report 2019		
102-50	Reporting period	About this Report	156	
102-51	Date of the most recent report	About this Report	156	
102-52	Reporting cycle	About this Report	156	
102-53	Point of contact for questions regarding the report	Contact information	171	
102-54	Claims of reporting in accordance with the GRI Standards	About this Report	157	
102-55	Table of GRI indicators	GRI Standards reference table	165-170	
102-56	External assurance	Independent practitioner's assurance report	160-161	
MANAGEMENT APPROACH				
103-1	Explanation of material topics and their boundaries	About this Report	157-158	
103-2	Management approaches and their components	Corporate governance Sustainability management Sustainability risk management Responsible banking Environmental impact management VTB team Promoting social development	40-45 38-39 46-47 66-69 102, 108-109 116-118 138-139	
103-3	The evaluation of management approach	Corporate governance Sustainability management Sustainability risk management Responsible banking Environmental impact management VTB team Promoting social development	40-45 38-39 46-47 66-69 102, 108-109 116-118 138-139	

INDICATOR	DEFINITION	REPORT SECTION / NOTE	PAGE OF REPORT	EXTERNAL ASSURANCE
MATERIAL TOPICS				
ECONOMIC CATEGORY				
ECONOMIC PERFORMANCE				
201-1	Direct economic value generated and distributed	VTB Group's consolidated financial statements together with the independent auditor's report for 2020: pp. 13–14		
201-3	Defined benefit plan obligations and other retirement plans	VTB Group's consolidated financial statements together with the independent auditor's report for 2020: p. 68		
INDIRECT ECONOMIC IMPACTS				
203-1	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or via pro bono engagement	VTB's response to the COVID-19 pandemic	12-17	
		Responsible investments	96-99	
		Promoting social development in the regions of operation	138-155	
203-2	Significant indirect economic impacts, including the extent of said impacts	Responsible banking	66-93	
		Green financing	103-107	
PROCUREMENT ACTIVITIES				
103-1	Explanation of aspect materiality and the description of management approach	Responsible procurement approach	51-52	
302-1	Percentage of procurement from local suppliers	Responsible procurement approach	51-52	
ENVIRONMENTAL CATEGORY				
MATERIALS				
301-1	Materials used by weight/volume	Improving inherent environmental performance	108-111	+ amount of paper consumed

INDICATOR	DEFINITION	REPORT SECTION / NOTE	PAGE OF REPORT	EXTERNAL ASSURANCE
ENERGY				
302-1	Energy consumption within the organisation	Improving inherent environmental performance	108-111	+ electricity and fuel consumed
302-4	Reduction of energy consumption	Improving inherent environmental performance	108-111	
EMISSIONS				
305-1	Direct GHG emissions (Scope 1)	Improving inherent environmental performance	111	+ direct GHG emissions
305-2	Energy indirect GHG emissions (Scope 2)	Improving inherent environmental performance	111	+ indirect GHG emissions
SOCIAL CATEGORY				
EMPLOYMENT				
401-1	Total number and rates of new employee hires and employee turnover by specific age group, gender and region	Key Sustainable Development Indicators VTB team	6-7 116-117, 120	+ employee turnover (outflow of staff)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Motivation and remuneration	129	
LABOUR/MANAGEMENT RELATIONS				
402-1	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	The minimum notice period is defined by the applicable laws and the countries of operation and are strictly observed by all Group companies		
OCCUPATIONAL HEALTH AND SAFETY				
403-6	Promotion of employee health	Ensuring employee safety due to the COVID-19 pandemic	119	
		Ensuring work safety	134-135	
		Motivation and remuneration	129	
403-9	Workplace-related injuries	Ensuring work safety	134-135	+ accident frequency rate
TRAINING AND EDUCATION				
404-1	Average hours of training per year per employee, gender and employee category	Human rights, gender equality and inclusion Training and development	118 124-127	+ average hours of training per Group employee per annum
DIVERSITY AND EQUAL OPPORTUNITIES				
405-1	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group and other indicators of diversity	VTB team http://www.vtb.ru/group/management/	116-118	

INDICATOR	DEFINITION	REPORT SECTION / NOTE	PAGE OF REPORT	EXTERNAL ASSURANCE
SOCIETY				
LOCAL COMMUNITIES				
413-1	Percentage of operations with implemented local-community engagement, impact assessment, and development programmes	Not applicable to Group financial companies		
ANTI-CORRUPTION				
205-2	Communication and training related to anti-corruption policies and procedures	Business ethics and anti-corruption	50-51	
MATERIAL TOPICS AND INDICATORS OUTSIDE THE GRI STANDARDS				
FS5	Interaction with customers, investors, and business partners regarding environmental and social risks and opportunities	Responsible banking	66-93	
		Responsible investments	96-99	
		Environmental impact management	102-113	
		Promoting social development	138-155	
FS6	Percentage of the portfolio for business lines by specific region, size, and sector	Responsible banking	66-67	
FS7	The monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Responsible financing	68-79	
		Accessibility of financial services	80-89	
FS13	Access points in low population or economically disadvantaged areas by type	Accessibility of financial services	87	
FS14	Initiatives to improve access to financial services for the disadvantaged	Accessibility of financial services	87-88	
C&S	Charity and sponsorship	Promoting social development	138-139	+ charity expenses

CONTACTS

VTB Bank (public joint-stock company)

Mailing address:

43 Vorontsovskaya St., bldg. 1, Moscow, Russia, 109147

Delivery address:

12 Presnenskaya Naberezhnaya, Moscow

11 Degtyarny per., letter A, St. Petersburg

When applying to VTB Bank for charitable support or offering to sponsor an event, please send a copy of the Articles of Association (i a legal entity) or a copy of passport (if individual) (including the 2nd and 3rd pages).

Call Centre

1000 from a cell phone, toll free from any region of Russia

8 (800) 100-24-24 (toll free within Russia)

+7 (495) 777-24-24 (for residents of Moscow and Moscow region)

E-mail:
info@vtb.ru

Official websites on the Internet:
www.vtb.ru
www.vtbrussia.ru