

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.

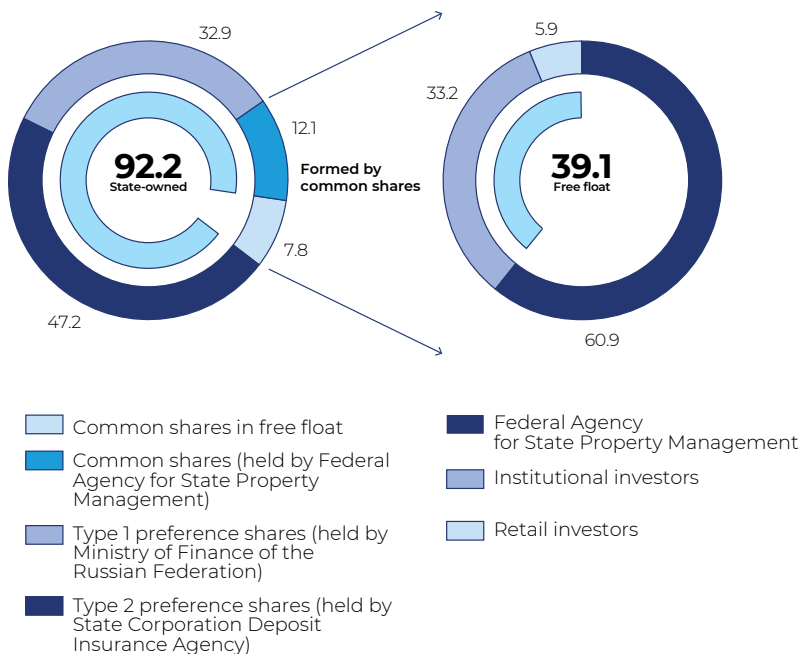
VTB continued to implement a comprehensive shareholder and investment community engagement programme aimed at improving the investment appeal of VTB shares and increasing the Bank's market capitalisation.

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.

RESULTS



**Proactive engagement
with institutional investors, analysts
and credit rating agencies**

157

online meetings

of which 96 were through
online conferences and
roadshows

884

participants

of financial results
disclosure conference calls

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.

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



Customer satisfaction surveys (online and telephone surveys)

85%
of customer ratings

come out as 4-5 on a five point scale

58
million

enquiries to the contact centre



Channels for remote banking services, including VTB Online mobile application and online banking

100%
of customer enquiries

were processed

10.1
million users

of VTB Online application



Information support in social media accounts and mobile applications

203
thousand followers

Facebook

130
thousand followers

Vkontakte



VTB Call Centre

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.

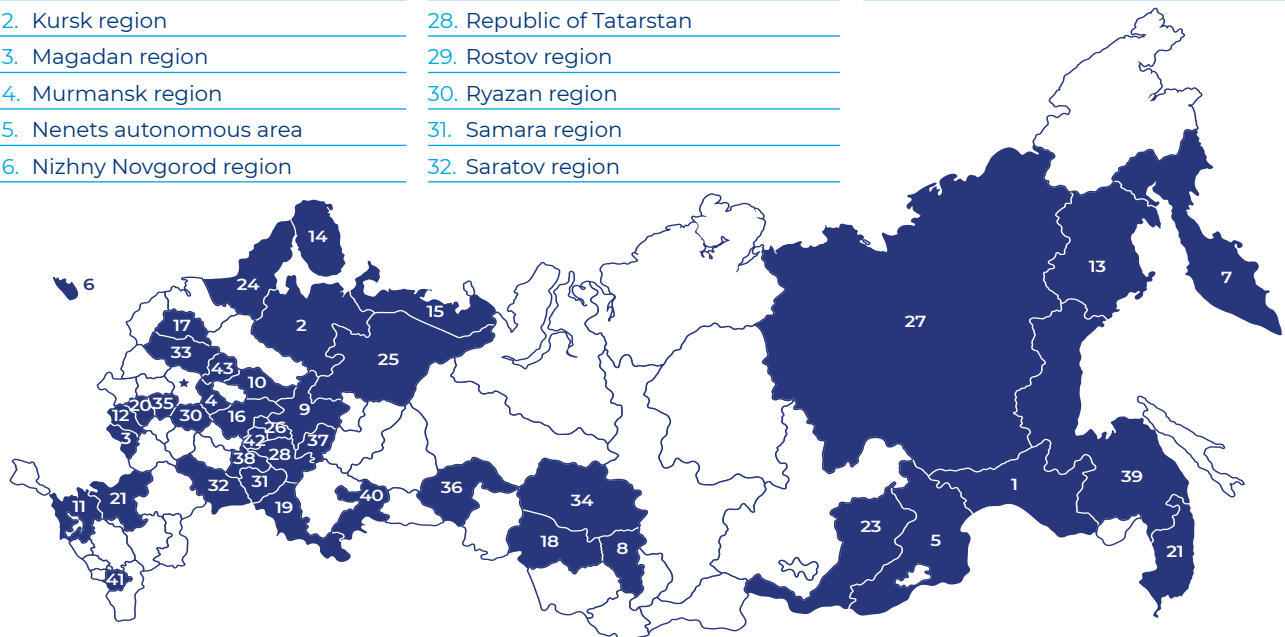
VTB participates in efforts to improve and harmonise legislation in the Russian Federation. The Bank focuses its attention on draft laws related to the introduction of new banking services, issues on the OTC financial market and pension legislation, as well as initiatives affecting the Bank's brokerage, 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

43
agreements

with the regions

> 10

industry associations

of the federal level, in which the Bank participates



Cooperation with regional authorities

50

VTB representatives

take an active part:



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

- in working groups under the committees of the State Duma and the Federation Council;



Information disclosure in accordance with legislative requirements

- at expert platforms in the Russian Union of Industrialists and Entrepreneurs and the Chamber of Commerce and Industry of the Russian Federation;



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

- 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.

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

RESULTS

✓ **Developing tendering procurement procedures**

317.2
billion RUB

overall procurement volume

✓ **Preventing supply chain corruption**

33.6
billion RUB

volume of purchases from small and medium businesses

✓ **Organising training events for suppliers and contractors**

40%

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

✓ **Participating in international and national professional associations**

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

Employees

By building effective and trusting relationships with employees, VTB creates opportunities for professional and personal growth and provides a competitive compensation package and safeguards occupational health and safety.

The Group pays significant attention to creating a positive corporate culture, which is in line with the Group's values and helps its employees achieve their full potential.

Other important areas of interaction with employees include ensuring equal opportunities for career growth and professional

development, providing social benefits and occupational health and safety.

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

RESULTS



Employee satisfaction and engagement survey

83%

employee engagement index

39

thousand visitors



Intranet portal

average monthly visits to the in-house intranet portal



Team Spirit corporate magazine

4

thousand employees

100%

of enquiries



Whistleblower hotline

took part in corporate events with the participation of senior management

to the Whistleblower hotline were processed; all enquiries were investigated and acted upon



Team-building events, meetings with executives

2.5

thousand ideas

30

thousand copies



Employee training portal

from employees as part of Gravity

circulation of the *Team Spirit* magazine



Gravity system to collect and review employee ideas

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.

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

15.8

billion RUB

total charitable and sponsorship activities

53

thousand

individual users who took part in VTB's online projects

>15

projects

increasing financial literacy among various groups of people

580

press releases

18

press conferences

1,055

events

in both online and offline formats

21

thousand followers

on YouTube

71

thousand followers

on Instagram

285

thousand mentions of the Group

in the media

49

million visitors

to vtb.ru

2

million visitors

to VTB Russia's website, vtbrussia.ru

1.4

million visitors

to the VTB Country Yandex.Zen channel

