

## **VTB approves 2019-2022 strategy**

On 23 April 2019, VTB Supervisory Council approved VTB Group's strategy for 2019-2022.

The Group's new strategy is based on the following priorities:

1. VTB's primary objective is to reinforce its business model by absolutely prioritizing customers and their experience. VTB aims to become a first-choice bank in the market and be an industry leader in service quality and convenience of customer interaction.  
That will be achieved by transition to personalised communications via preferred access platforms, using advanced data analytics and modelling tools.
2. Another key objective is accelerating the digitalisation of VTB's business, which implies a step-up in proportion of digital customer communication channels: by the end of 2022 over 50% of sales will be processed through digital channels without visiting a branch, and over 80% of banking services will be provided remotely. All our products will be available through electronic channels.  
While remaining a universal bank, VTB will transform the branch network and other traditional infrastructure to create a truly multi-channel customer access environment.  
Additionally VTB will digitalize its processes, including fully paperless office and maximising electronic document workflow with external counterparts.
3. An important objective is building a cutting-edge operational platform. It will be based on a new-generation microservice IT architecture that will give the Group competitive advantages of speedy implementation of technological solutions quicker and reduced time-to-market for new products. VTB will build a unified operating factory ensuring higher reliability, scalability and efficiency of operating processes.  
Investments in technological solutions will be focused on developing industry-leading solutions in rollout of biometric identification platforms, robotics and advanced analytics, AI-powered virtualisation of processes, creating open interfaces for prompt partner integration, and cloud infrastructure automation for accelerating and scaling capabilities.
4. A critical factor in achieving these objectives is the Group's faster response to changes of the market conditions and customer demands, as well as promoting innovation, engagement, results-oriented approach, and teamwork as key aspects. The renewal will also be driven by initiatives in human capital development such as creating an attractive working environment and conditions for attracting the best talents in the market, consistent efforts to develop the future leaders, ensure higher productivity and competitive motivation while balancing team success with personal achievement. Implementing and scaling a new, service-based work model for joint teams formed around external and internal services will be an important development driver.

Consistent efforts in all these directions will enable VTB Group to consolidate its market standing across all customer segments in 2019-2022:

- expand the client base in the Retail segment by 1.5 times to 18 million customers, while increasing market share in retail lending to 22%, and, respectively growing the proportion of retail loans in the Group's total loan book to 35%. The market share in retail funding is expected to reach 20% including accelerated growth in current and liquid savings accounts, the proportion of which in Group's total retail funding will be substantially increased as well. Optimization of funding costs, growing proportion of transitionally active and multi-products clients will result in higher diversification of revenues and above-the-market growth rates of revenue per client.
- double the client base in the segment of small and medium-sized enterprises, while increasing revenue by 15%-35%, depending on the sub-segment. This will be primarily driven by higher transactional revenues with the share of customer funds held on current accounts exceeding 40%, while commissions accounting for more than 35% of net operating income. Remote and partner channels will make a significant contribution to expanding the customer base, and the share of digital sales is expected to exceed 50%.
- maintain leadership in the corporate and investment business in terms of investment and banking services for corporate and institutional customers, achieving above-the-market growth of current account balances and transactional fees and commissions. In cooperation with Retail, CIB is expected to lay ground for a breakthrough in retail investment products and achieve at least 25% market share in these products by the end of 2022.

Promoting its customer-first approach will enable VTB to generate over RUB 300 billion in profits by 2022 with a ROE of 15%.

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ISIN: US46630Q2021  
Category Code:MSCM  
TIDM: VTBR  
LEI Code: 253400V1H6ART1UQ0N98  
Sequence No.: 8310  
EQS News ID: 802523

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