

# Human Resources

One of the cornerstones of Bank Vozrozhdenie business is its long-term relationships with clients, which are built on the principles of mutual trust, respect and understanding. These values are enshrined in the Bank's human resources (HR) system and are communicated to all employees, regardless of their position or responsibilities.

Our HR policy is focused on achieving our strategic objectives and increasing shareholder value. It aims to provide greater motivation, enable all employees to improve their potential, and develop the corporate culture. One key objective is to encourage changes in business processes that make internal communications more effective and reduce non-productive waste of working hours.

When selecting employees, preference is given to people with higher education, practical experience in banking and a professional approach to solving business issues. Last year, the headcount reached 6,772 people. Bank Vozrozhdenie is known for its employees' loyalty and close-knit team, with many of the staff have been with the Bank for more than 20 years.

Our advanced system of remuneration and motivation enables us to attract the best talents. Last year, we developed a range of measures to improve motivation, whereby remuneration of each employee will depends directly on results for all of its contribution to the Bank's business. We focused closely on programmes to encourage employees who work with clients. The Bank plans to to implement an updated motivation system in 2013.

High professional knowledges of employees play a key role in our successful development, so training and educating the staff is one of our HR priorities. In 2012, we adopted HR strategy, running through to 2015, that aims to make all employees more involved in their training and professional development and ensure that all divisions have qualified personnel.

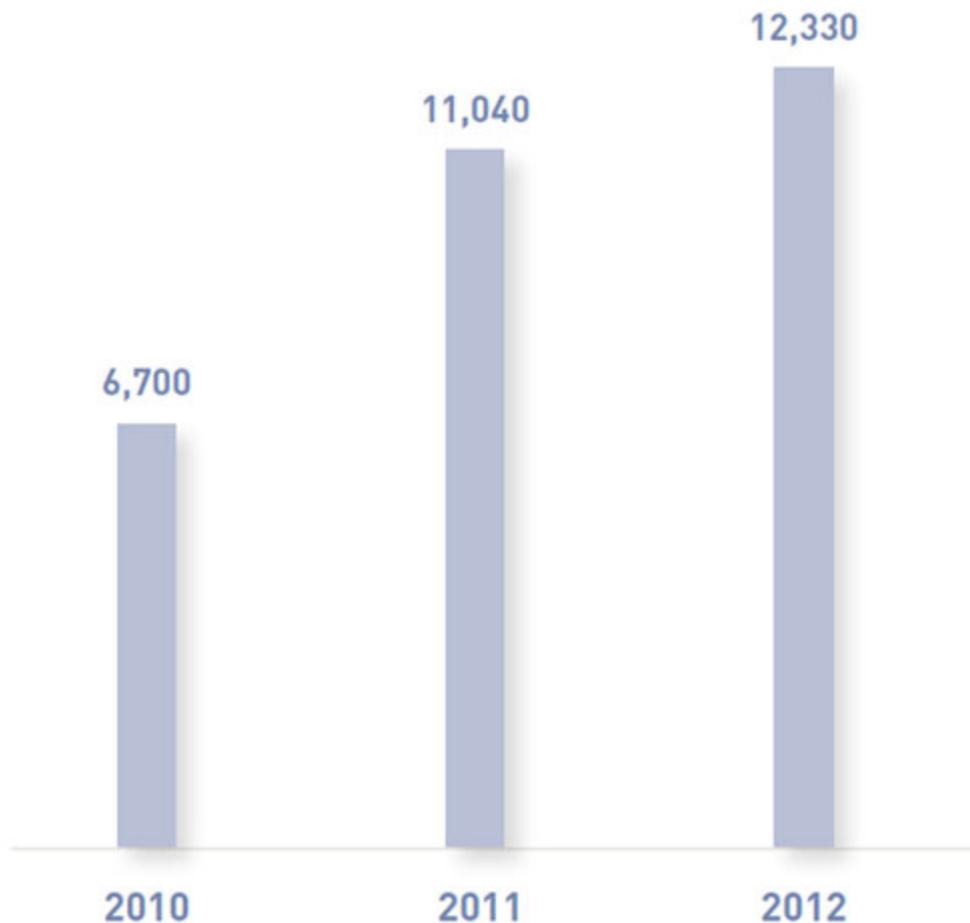
INSERT

Last year, the bank's employees went through over 12,000 courses to improve their qualification

The Bank uses distant learning, lectures, seminars, courses and master classes to train its employees. Sessions are conducted on an individual, group and electronic basis. Last year, 39 courses were run, twice as much as in 2011. The most popular courses, were "Handling Personal Information", "Signs of Forgery and Rules for Checking Passports", and "Main Changes in the Bank's IT Security in 2011-12".

All Bank's employees have access to the "Training and Development Portal", a key resource used in distant learning last year. It allows all the interested staff to take a course or test, as well as discuss professional issues with colleagues.

## Employees who underwent distance learning in 2010-2012, number



Study courses at Bank Vozrozhdenie can be held both in-house and at higher education institutions. The best employees from business divisions act as tutors on the in-house courses. Last year, as part of the work to streamline the employee qualification system, the Bank introduced a programme to train internal tutors, in which 65 employees participated.

Bank Vozrozhdenie has begun to introduce a new multi-stage training system, whereby only employees who have completed preliminary electronic courses can attend certain study programmes. Research shows that this approach increases knowledge and understanding of a subject.

Last year, heads of business divisions continued using the four-module Effective Manager programme, which over 100 managers underwent.

The Bank puts special emphasis on its programme for creating a talent pool from its employees. Its aim is to ensure that freed or newly created management vacancies can be filled effectively as the business grows. In 2012, the talent pool included 12 employees destined to be branch managers. Special training sessions are held for them on a regular basis, including management and leadership, effective communication and HR development programmes.

In 2012, Bank Vozrozhdenie continued to cooperate with higher education institutions to organize practical work for students and offer them opportunities to apply their knowledge. Talented students receive

grants from the Bank, while the best graduates were offered positions. The Bank has close relations with the Finance University under the Russian Government, North-West State University, Rostov-on-Don State University of Economics, and Stavropol State University, among others. In 2012, the Bank awarded grants to 23 students from these institutions.

We also work closely with Moscow State University, the Plekhanov Russian University of Economics, the Bank of Russia's School of Banking in Moscow, and the Moscow Academy of Finance and Law. Last year, 45 students from these institutions completed work practice at the Bank.

In 2013, we intend to continue enhancing our employees motivation system based on incentives payment according to the results of the previous year.