

## HUMAN RESOURCE MANAGEMENT

The purpose of the Human Resource Management Area is to promote the efficient management of BROU human capital, promoting and advising on the processes of change and the achievement of the defined goals. In the current organizational context of new products, processes and projects included in the BROU 2020 Agenda, structural changes have been implemented, and changes in the heads of strategic areas, aiming at the consolidation of a new management model to strengthen the Institution positioning in a dynamic market.

Directly linked to the guidelines governing the strategy for the coming five years, Human Resource Management led the following projects: Cultural Shift, Internal Communication and Organizational Structure Review.

In this fiscal year, the first phase of the Cultural Shift Project was implemented, based on a cultural diagnosis that identified strengths, specific gaps, cultural levers and priority areas of action. Three main lines of work were defined: leadership for change, commitment and capability for cultural shift and alignment of systems, processes and policies.

Several aspects of internal communication were addressed, highlighting the implementation of specific consulting on internal communication in order to facilitate changes.

The communication plan included the dissemination of the main aspects of the BROU 2020 Agenda. Top management called Branch managerial level employees, supervisors and leaders to working sessions held in Montevideo, Rivera, Paysandú, Colonia and Punta del Este, urging them to replicate the information received in their teams so that the same message could reach everyone.

As part of the communication improvement plan, the biweekly e-newsletter "Actualidad BROU" was created to report the news emanating from the Board and the General Management, and the corporate intranet was updated with the necessary communicational approach to facilitate access to information.

Also, the biannual magazine "Fuera de Oficina" was designed, promoting a comprehensive knowledge of officials: their interests and activities beyond their workplace, aiming to generate and strengthen the bond with our Bank family.

Within the framework of the Bank Organizational Structure Review, the strategic areas underpinning the new business and service models laid out were approved. In this sense, the Process Area will be responsible for the centralization of design and measurement of all Bank processes and procedures aiming to improve management based on rationalization and standardization criteria. Also, a single Operations Area was created, accompanying the new overall design with centralized actions, giving greater efficiency to the operational activity that supports business.

In relation to the sales force, the Distribution Network structure was changed, strengthening the roles of product sales and service sales, by creating the role of Assistant Business Officer.

This role supports the massive customer care and leaves more time for the Business Officers to devote to the comprehensive and personalized service of customers in their portfolio. Along these lines, a new model for the Digital Channels Department was adopted, creating the Contact Center with business roles for the sale and promotion by remote channels, as well as the inclusion of roles for managing other service channels such as correspondents and online services.

An amendment of BROU Staff Rules concerning the conditions to fill vacancies opened the possibility to take part in internal selection processes to a greater number of officials.

The Staff Succession Plan was adjusted to cover management positions, promoting the transfer of knowledge and experience of the outgoing officials to those selected to perform key functions, thus providing for business continuity.

Considering the generation gap and the projection of more retirements, especially based on the average age of staff in the Branch Network (64.76% older than 50), there was an internal competitive process for staff in Assistant Service positions. The purpose was to redeploy resources more efficiently without greatly increasing costs, making the most of the skills of those younger to impact customer service and get the benefits of generational exchange in knowledge management.

Another action aimed to support the financial inclusion actions and customer service at branches was the fourth edition of the program "I Work and Study", providing a first work experience of one year through scholarships to 96 students aged 16 - 20.

The workforce decreased slightly relative to the previous year, with 4,058 employees at year-end 2015. 64% are geographically located in Montevideo. Regarding the areas of work, 66% of the total workforce is assigned to business. The number of women has stabilized in recent years, representing almost 43% of the workforce.

PAYROLL EVOLUTION			
Montevideo / Rest of Uruguay			
	2013	2014	2015
Montevideo	2.743	2.713	2.604
Upcountry	1.482	1.479	1.454
<b>Total</b>	<b>4.225</b>	<b>4.192</b>	<b>4.058</b>

BREAKDOWN OF EMPLOYEES BY WORK AREA			
	2013	2014	2015
Bussiness	3.017	2.928	2.691
Support	1.208	1.264	1.367
<b>Total</b>	<b>4.225</b>	<b>4.192</b>	<b>4.058</b>

PAYROLL EVOLUTION			
By gender			
	2013	2014	2015
Female	1.759	1.756	1.739
Male	2.466	2.436	2.319
<b>Total</b>	<b>4.225</b>	<b>4.192</b>	<b>4.058</b>

Investment in training during the fiscal period was aimed at developing knowledge skills and at supporting the training phase for the central computer system change process (Core Banking system).

Of the total actions carried out, 69% were addressed to officials of the Business, Sales and Distribution areas and 31% to Staff and Support areas, averaging 11 hours of training per employee.

The annual training plan included different subject areas with actions designed internally or outsourced, seeking to impact the performance of officials, knowledge update for the new computer systems, inclusion of best management and business practices, regulatory compliance on risk management and banking supervision.



Sur Promenade - Montevideo