



Corporate Responsibility Report 2011

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Our partners

Dear Partners,

2011 was full of changes for VUB Bank and the economy. Developments took unexpected turns in places and the European economy weakened. Last year we also celebrated a significant anniversary - the tenth anniversary of VUB Bank's merger with majority owner Intesa Sanpaolo Group, which marked a major milestone in the bank's development. Let's take a look at what 2011 brought for the bank and its stakeholders.

We listen to our clients

In the *We Listen to You 100%* programme, which is coordinated at the level of the entire Intesa Sanpaolo Group, we monitor client satisfaction and look for solutions to further improve our service levels. The survey takes into account the five strongest banking houses in Slovakia. Among them, we repeatedly achieved the highest satisfaction index value in 2011. This shows that our client orientation is set right and our focus on quality is bearing fruit in the form of satisfied clients. Our reserves are highlighted by complaints, which are addressed by the Banking Ombudsman team. It is pleasing that the number of customer complaints has fallen again year-on-year.

Dialogue with employees

Our bank employs more than 3,500 people, almost three-quarters of whom are women. A special survey was focused on women to find out their career ambitions, satisfaction with working conditions and reconciliation of work and family life. The opinions from the survey, which also included personal meetings with female colleagues from all over Slovakia, served as important feedback and a basis for bringing women's current working conditions closer to their ideas. The survey showed that VUB Bank is a place where no major critical points of gender inequality have emerged and that the overall situation is good to better compared to the perception of these issues in Slovakia in general. The Bank has developed a series of measures to gradually address those parts that have been identified as problematic. The measures will come into force during 2012, and we have already introduced a number of changes to support work-life balance at the end of last year.

Financial education

Anyone can find themselves in financial distress today. Satisfied clients should understand our products and be able to make the right choice so that they are not overburdened by possible debt. Surveys have also shown that Slovaks lag behind the European average in financial literacy. A significant part of the population does not know how to analyse the information available to them sufficiently, and can thus get into unnecessary financial trouble. That is why we have focused on financial education over the past year, starting with children. We developed an inter-net game for younger schoolchildren that teaches them how to manage and plan their finances in a playful way. We believe that such training will contribute to educating people to be prudent with money. We have also continued to support the development of economic science in Slovakia, in the form of the *Economicus* award for active PhD students of economic faculties. Just like every year, last year we brought foreign professors to Slovak universities, who worked with our students and university research teams for one whole semester.

We think about the environment

Recycled envelopes, electronic statements of accounts, support for green projects of Slovak companies. This is a brief summary of our environmental activities last year. VUB Bank supports green energy and energy efficiency projects aimed at developing and obtaining energy from renewable sources, energy savings and energy production from alternative energy sources. We have a team of people who provide financial and professional assistance to clients in the preparation and implementation of such projects, and in this way we participate in the protection of the environment - in reducing CO₂ production, protecting human health and natural resources, and reducing energy consumption.

Awards

For the third time in a row, VUB Bank has won the prestigious *Bank of the Year* award, which is presented annually by the economic weekly TREND. Another important award is the one by the prestigious financial magazine Global Finance, according to which VUB Bank is the World's Safest Bank 2011 in Central & Eastern . In the ranking of the ten safest banks in Central and Eastern Europe, VUB Bank ranked first. The magazine based its ranking on the long-term credit ratings of Moody's, Standard & Poor's and Fitch and total assets. VUB is the only Slovak bank to be ranked among the selected banks in our region.

Plans for 2012

In the coming year, we would like to use the knowledge gained and keep the bar set high. Our priority in the coming period is to continuously improve the quality of service and good relations with clients, to introduce innovations inspired by employee suggestions, and to simplify and streamline company processes.

Bratislava, 2 April 2012

Ignacio Jaquotot

Chief Executive Officer and Chairman of the Board of Directors
Všeobecná úverová banka, a.s.

About this report

VUB Bank publishes its fifth annual Corporate Responsibility Report prepared in accordance with the G3 version of the international Global Reporting Initiative (GRI) guidelines. The report reports on VUB's economic, social and environmental performance. The present report contains qualitative data for the calendar and financial year 2011. They are comparable with previous financial periods. As in the previous year, the report is also distributed to VUB's partners together with the annual financial report. It is published at <http://www.vub.sk/o-banke/hodnoty-principy/spolocenska-zodpovednost/>. In the interest of conserving natural resources, the report is published only in an electronic version. Responses and questions can be sent to tocsr@vub.sk or mslezakova@vub.sk.

Overview of corporate responsibility reports issued		
	Date of issue	GRI reporting level
Report 2011	2. 4. 2012	B+, audited
Report for 2010	31. 3. 2011	B+, audited
Report for 2009	31. 3. 2010	B+, audited
Report for 2008	31. 3. 2009	B+, audited
Report for 2007	20. 8. 2008	B+, audited

Reporting methodology

Structure and content

The report is divided into a number of chapters that map our areas of influence on each category of partner. The entire content is divided into two main parts. The first part includes the *Profile and Governance* chapter, which describes the VUB Group's profile, identity, governance system, mission and values, and the *Our Responsibility* chapter, which focuses on corporate responsibility management and the implementation of its principles.

The second part of the report consists of chapters devoted to individual categories of partners, i.e. those entities are significantly influenced by VUB Bank's activities and to whom we feel the greatest responsibility. These are clients, employees, shareholders, suppliers and the community. In a separate chapter, we also address our impact on the environment. In identifying these categories, we have drawn on the corporate responsibility strategy of our parent bank, Intesa Sanpaolo, which has used a methodology based on the AA1000 principles (in particular the AA1000 SES Standard) of the London-based Accountability Institute. The report documents the results achieved by the bank against the objectives set in its business plan. The data was collected and compiled by members of VUB's Corporate Responsibility Task Force and the Corporate staff. The report documents exclusively VUB Bank's activities; the activities of subsidiaries are not included in the report. The only partial exception is in the area of responsibility, where information and data relating to the activities of the VUB Foundation are interwoven. This has been chosen for activities that VUB Bank and its Foundation have jointly implemented and financed. The annex to the report is an overview processed according to GRI guidelines, which includes the disclosure of the profile, the management approach for all indicator categories and a list of performance indicators.

Compliance with Global Reporting Initiative guidelines

The content has been compiled according to the Sustainability Reporting Guidelines from the third edition of the Global Reporting Initiative Edition. A profile, management approach and 49 indicators are reported. A list of the indicators reported and the management approach for each indicator category is attached in the form of an overview table. Compliance with the GRI guidelines has been verified by an external verifier, the Pontis Foundation, which is a GRI partner organisation in the Slovak Republic. The verifier's opinion is presented in the Annex to this report. The verifier was not involved in the verification of the quantitative and qualitative data presented in the report.

		In accordance with the guidelines GRI	C	C+	B	B+	A	A+
Required	Separate declaration			Report externally verified		✓		Report externally verified
	Third party verified					✓		
	GRI checked							

Profile and management

Vision, mission, values

Vision

We want to be the best bank in the country in customer satisfaction and continue to excel in profitability and operational efficiency.

Mission

We are part of this country and we want to grow together with our clients - whether it is a large corporation or an individual. Our clients should feel that they are most important to us and that their satisfaction is at the heart of every decision we make.

Values

We provide our clients with banking and financial services at a high level. At the same time, we use our services to develop and activate tools for the development of the Slovak economic system. Our goal is to build a relationship between clients and shareholders based on trust and satisfaction, employee belonging and proximity to the real needs of the whole company. Therefore, VUB's corporate culture and code of ethics include values that help us to be successful and achieve the expected results. Values guide our actions in situations where we have to choose between several paths. They are the basis for us to be successful in our work as individuals and as a bank. They are published at <http://www.vub.sk/o-banke/values-principles/>.



Company Profile

Key indicators

Economic	2011	2010	2009
Loans to clients in euros	6.9 billion	6.1 billion	5.6 billion
Customer deposits in euros	7.5 billion	7.3 billion	6.6 billion
Share capital in EUR million	430,82	430,82	430,82
Number of clients	1 255 997	1 257 033	1 248 236
Number of sales outlets in Slovakia	249	249	253
Percentage of local suppliers	90	91	92
Social			
Number of employees (without branch in the Czech Republic)	3 520	3 465	3 456
- of which women	2 606	2 591	2 617
- of which disabled	26	17	19
Percentage of turnover	12,2	12,0	12,6
Number of injuries	6	8	8
Support to non-profit organisations (in thousands of euros)	274,0	108,0	90,7
Environmental			
Energy consumption per employee (kWh)	9 767,6	11 434,9	11 411,9
Paper consumption per employee (kg per year)	148,0	177,3	151,6
Water consumption per employee (litres per)	65,5	59,2	51,4

Všeobecná úverová banka, a.s., was established on 1 January 1990 by spinning off commercial activities for corporate

clients in the territory of the Slovak Republic from the State Bank of Czechoslovakia. It is a public joint stock company and operates in the territory of the Slovak and Czech . A turning point for our business was in 2001, when the majority stake in VUB Bank was acquired by the major Italian banking group IntesaBci (now Intesa Sanpaolo). VUB Bank is currently the second largest bank in Slovakia. It manages deposits EUR 7.5 billion and loans of EUR 6.9 billion. Currently, the bank has in its portfolio more than 1 million retail clients, 90 thousand sole traders, 9 thousand small and medium-sized enterprises

and 600 large corporations. In recent years, it has been one of the most profitable banks in Slovakia.

VUB Group provides a wide range of services



Structure of VUB shareholders as at 31 December 2011

By type of owner	Percentage of shares in EUR*	Share in %
Intesa Sanpaolo Holding International S.A. - majority owner	416 875 694,61	96,764
Other legal persons	3 847 913,20	0,893
Natural persons	10 095 456,00	2,343
Total (share capital of VUB, a.s.)	430 819 063,81	100,00
By nationality of the owner	Share of shares in thousands EUR**	Share in %
Intesa Sanpaolo Holding International S.A. - majority owner	416 876	96,764
Domestic shareholders	12 507	2,903
Other foreign shareholders	1 436	0,333
Total (share capital of VUB, a.s.)	430 819	100,00

* Shareholding in EUR means the value of shares held in VUB, a.s., expressed in nominal value in EUR and multiplied by the number of shares held.

** The share of shares by nationality is given in thous. EUR.

VUB, a.s. shares were held by **43 486** shareholders as at 31 December 2011. The foreign shareholders come from those countries Luxembourg (96.764%), Germany (0.077%), Switzerland (0.074%), Czech Republic (0.127%), Austria (0.049%), UK (0.004%), USA (0.002%), Canada, Romania, Poland and Cyprus. There were no changes in issued share capital in 2011.

About Intesa Sanpaolo Group

The Italian banking group Intesa Sanpaolo, which has its headquarters in Turin and Milan, is the majority shareholder of VUB Bank with a 96.76% stake in the company's share capital. It was formed in January 2007 by the merger of two major Italian banks, Banca Intesa and Sanpaolo IMI. The group has po-

a leading bank in Italy and one of the leading banks providing financial products and services to households and businesses in Europe. It has a strategic business presence in Central and Eastern Europe and the region. Through its subsidiary banks, it operates in Serbia, where it ranks first, Albania, Croatia and Slovakia, where it is the second largest bank on the , and in Hungary, with the third largest bank.

Majority shareholder is the Italian banking group Intesa Sanpaolo.

Bank, the fifth largest bank in Bosnia and Herze- govina and Egypt, and in Slovenia, where it owns the sixth largest bank. The Group also has a presence in Ukraine, the Russian Federation and Romania. 2011 marked the 10th anniversary of the acquisition of VUB.

Intesa Sanpaolo's presence in the region



Economic indicators

In 2011, the Slovak economy continued to recover from the recession. The economy's performance in the first half of the year surpassed the pre-crisis peak, the number of new jobs and the financial performance of businesses grew. Investment and demand for financial products grew hand in hand with the positive outlook. Particularly strong was the interest in mortgages, which form one of the core parts of VUB Bank's product portfolio.

However, the positive trends were not sustained in the second half of the year. Uncertainty in financial markets has increased due to the ongoing debt crisis in the euro area. The confidence of both citizens and businesses gradually started to slip. The threat of a new recession in the countries of our trading partners has caused many firms and households to postpone investment decisions. Corporate profitability stopped improving and unemployment rates started to rise again, which was reflected in a slowdown in the growth of demand for credit products and a stagnation in primary deposit volumes.

Against this background, VUB Bank had a successful year. We were able to use our healthy financial condition to improve our share of total loans and deposits. We achieved the planned results in profitability indicators and we were able to improve in efficiency indicators in the past year as well. Looking ahead, 2012 will be a very challenging year. The degree of uncertainty with regard to the economic and regulatory environment is extremely high. Our focus will continue to be on our core priorities towards our customers, while taking measures to maintain adequate liquidity and capital adequacy so that we remain one of the healthiest banks in the region.

In 2011, we were again able to improve our efficiency.

Market shares

	k 31. 12. 2011	k 31. 12. 2010	k 31. 12. 2009
Total assets	19,0%	18,7%	17,9%
Client deposits	18,0%	17,5%	17,5%
Loans to clients	18,9%	18,1%	17,7%
Mortgage loans	46,5%	44,1%	37,5%
Branch network	20,6%	20,4%	20,7%
Payment cards	24,7%	-*	25,5%
ATMs	23,3%	-*	24,2%
EFT POS terminals	20,2%	-*	18,4%

* Data not .

The full results are published in VUB's 2011 Annual Report (www.vub.sk/o-banke/profil-banky/vyrocnne-spravy/).

Number of employees of VUB Bank (without branch in the Czech Republic) as at 31 December	
2011	3 520
2010	3 465
2009	3 456

Staff structure as at 31 December 2011	
Members of the Board of Directors	9
Managers	582
Non-managers	2 938

Subsidiaries with a majority stake in VUB, a.s.

- **Consumer Finance Holding, a.s.**
Share of VUB, a.s., 100 %
Main : provision of non-bank loans
- **VUB Asset Management, administrat. spol., a.s.**
Share of VUB, a.s., 100 %
Core business: collective investment, administration and portfolio management
- **VUB Factoring, a.s.**
Share of VUB, a.s., 100 %
Main : factoring and forfaiting business
- **VUB Leasing, a.s.**
Share of VUB, a.s., 100 %
Principal activity: finance and operating leasing

■ **VÚB Poist'ovací maklér, s. r. o.**

Share of VUB, a.s., 100 %

Principal activity: insurance intermediation

The Company was voluntarily dissolved without liquidation for the purposes of the merger as of December 22, 2011. The company was dissolved as a result of the merger on 1 January 2012. The successor company is VÚB Leasing, a.s.

■ **Recovery, a.s.**

Share of VUB, a.s., 100 %

Main : administration, recovery and purchase of receivables

■ **VUB Leasingová, a.s., in liquidation**

Main business: leasing business

The company ceased to exist by voluntary deletion from the commercial register on 19 2011.

The subsidiary with a 50-percent stake in VUB, a.s. is

■ **VUB Generali, Pension Management Company, a.s.**

Share of VUB, a.s., 50 %

Main : administration of retirement pension funds

Business network

VUB's business network, which serves more than 1.25 million clients, is the second largest in Slovakia. VUB's head office is located in Bratislava, at Mlynských nivy 1.

	2011	2010	2009
Retail branches	206	206	210
Mortgage centres	11	11	11
Corporate branches	32	32	32
Number of ATMs	560	554	558



Membership of organisations

In 2011, VUB Bank was an active member of several associations and professional societies. The most important professional association is the Slovak Banking Association, which is the key association in the Slovak financial sector and the only organisation representing the interests of banks operating in Slovakia. Other important organisations of which VUB Bank was a member are the Italian, American and German Chambers of Commerce, the Association of Securities Traders and the Slovak Chamber of Commerce and Industry. We are a member of the Business Leaders Forum, which brings together leaders in promoting the principles of responsible business in Slovakia.

Awards

Bank of the Year

The economic weekly Trend awarded VUB Bank the prestigious Bank of the Year award. VUB received this award

for the third time in a row. Traditionally, Trend's assessment model compares banks' ability to improve their market shares in both deposits and loans, their profitability and their efficiency. Trend highlighted VUB Bank's traditionally strong profitability and, in particular, its above-average operating costs to income ratio, which ranks it among the most cost-efficient banks on the market.

VUB Bank was awarded Bank of the Year and World's Safest Bank in CEE.

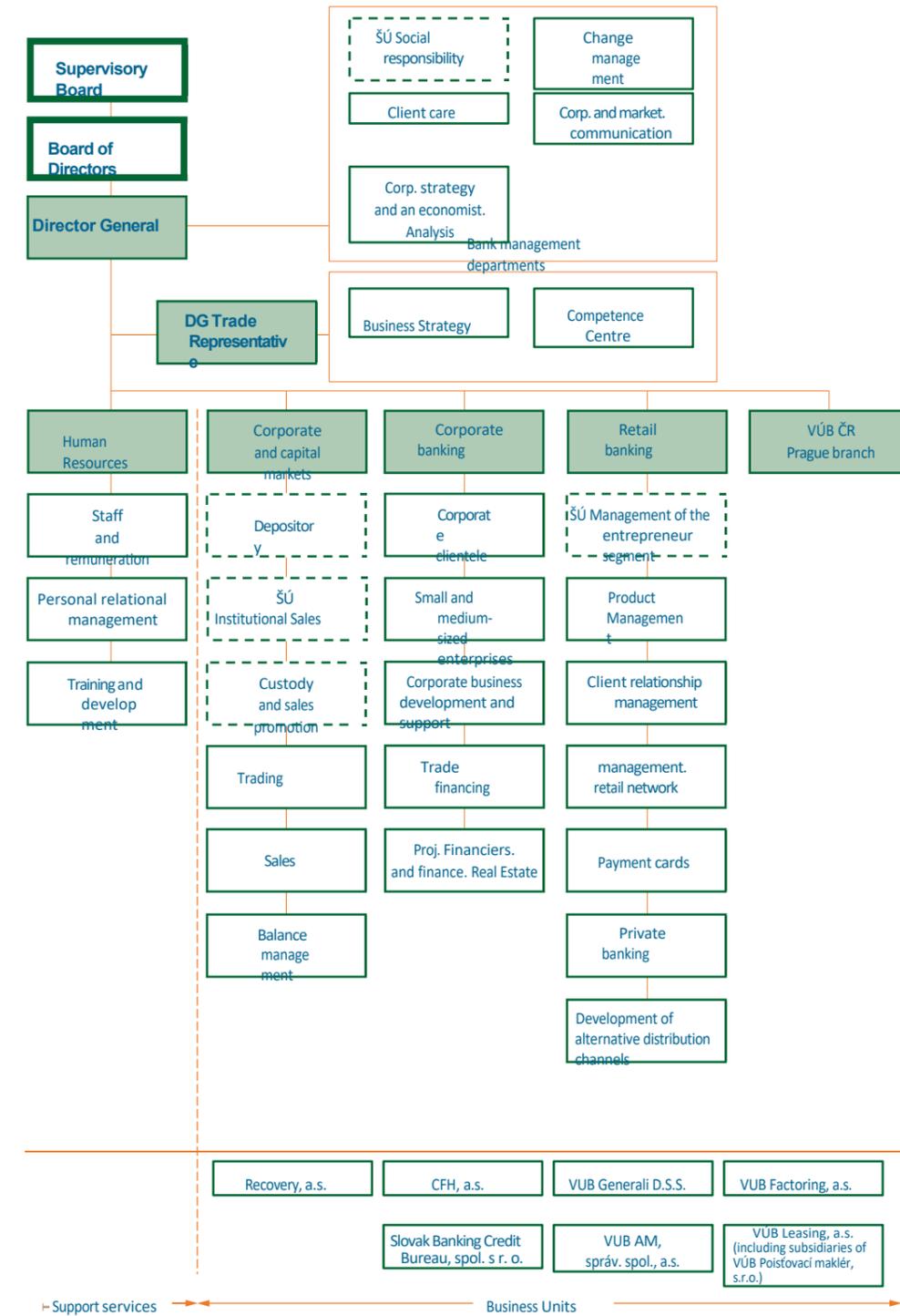
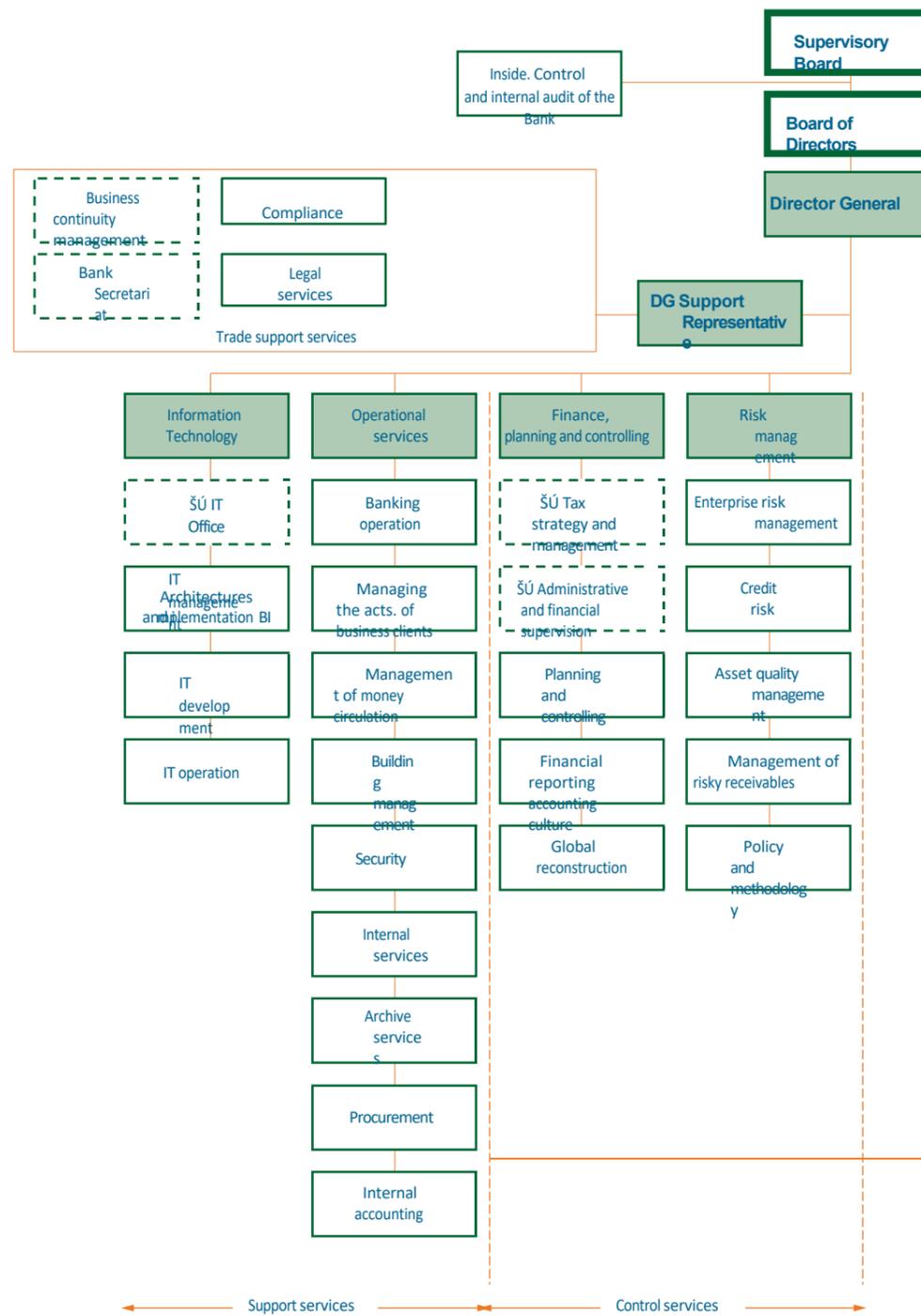
The safest bank in Central and Eastern Europe

According to the prestigious financial magazine Global Finance, VUB Bank is the World's Safest Bank 2011 in Central & Eastern Europe. VÚB banka is thus ranked first in the list of the ten safest banks in Central and Eastern Europe. The magazine based its assessment on the long-term credit ratings of Moody's, Standard & Poor's and Fitch and total asset volumes. VUB is the only Slovak bank to be ranked among the selected banks in the region.

Gold Coin

In 2011, VUB was again the most successful bank in the Golden Coin competition, in which the products of financial institutions are evaluated by experts from among economic journalists, representatives of brokerage companies, research companies and professional associations. Of the seven categories of banking products, it was successful in six. VUB scored points in the categories of housing loans (Flexihypotéka), consumer loans (Flexipůjčka) and business financing (Profiú úvěř), for which it took home gold coins. The silver coin was awarded in the category of electronic banking (Internet banking) and the bronze coin in the category of bank account (Flexiaccount) and investment banking (Internet banking for private banking clients). VUB also won the 2011 Discovery of the Year award for the Flexiviac Savings, which it introduced to the public in August.

Organisation and management



Management

Like its parent Intesa Sanpaolo, VUB Bank applies a dual model of administration and control in which control activities and strategic management are separated from the management of business activities, which is carried out by the Bank's Board of Directors. Ownership and management are thus clearly defined, with the Supervisory Board acting as a filter between shareholders and the Management Board. The bank's management has full executive power, while the Supervisory Board performs a control function. This model ensures transparency and reduces the risk of conflicts of interest.

Supervisory Board

The Supervisory Board is the Bank's supreme controlling body. It supervises the performance of the Management Board's duties and the Bank's business activities. With the exception of the Supervisory Board members elected by the employees of VUB, a.s., a member of the Supervisory Board may not be an employee of VUB, a.s.

The Supervisory Board shall review and submit to the General Assembly conclusions and recommendations concerning in particular:

- the performance of the tasks assigned by the General Meeting to the Board of Directors,
- compliance with the Articles of Association and legal regulations in the activities of VUB, a.s., and
- business and financial activities of VUB, a.s., accounting, documents, accounts, the state of assets of VUB, a.s., its liabilities and receivables.

The Supervisory Board shall have at least three members, including its chairman and at least one vice-chairman. The members of the Supervisory Board shall be elected and dismissed by the General Meeting. Their term of office shall be three years. There were no changes to the members of the Supervisory Board in 2011.

Composition of the Supervisory Board as at 31 December :

- **György Surányi** - Chairman of the Supervisory Board
- **Fabrizio Centrone** - Vice-Chairman of the Supervisory Board
- **Adriano Arietti**
- **Antonio Furesi**
- **Massimo Malagoli**
- **Janka Finková**
- **Ján Gallo**
- **Juraj Jurenka**

Board of Directors

The Board of Directors is the statutory body managing the Bank's activities. It is authorised to act on behalf of the Bank in all matters and represents VUB, a.s. before third parties, courts and other authorities.

The Board of Directors in particular:

- performs the management of VUB, a.s.,
- exercises employer's rights,
- convenes the General Assembly,
- executes the decisions of the General Assembly and the Supervisory Board,
- maintains the prescribed accounting and other records, books of business and other documents of VUB, a.s.,
- submits proposals to the General Meeting for approval after prior approval and on the recommendation of the Supervisory Board.

At 31 December 2011, the Board of Directors had nine members:

Name	Position, responsible for area
Ignacio Jaquotot	Chairman of the Board of Directors and Chief Executive Officer
Tomislav Lazaric	Member of the Board of Directors and Deputy CEO for Sales Elena
Kohútiková	Member of the Board of Directors and Deputy CEO for Support
Domenico Cristarella	Member of the Board of Directors and responsible for finance, planning, controlling (until 31.7.2011)
Andrea De Michelis	Member of the Board of Directors and responsible for Finance, Planning, Controlling (since 1 August 2011)
Daniele Fanin	Member of the Board of Directors and Head of VUB Prague Branch
Jozef Kausich	Member of the Board of Directors and responsible for Corporate Banking
Silvia Púchovská	Member of the Board of Directors and responsible for Human Resources
Alexander Resch	Member of the Board of Directors and responsible for risk management
Adrián Ševčík	Member of the Management Board and responsible for retail banking

The biographical data presented in the 2011 Annual Report (<http://www.vub.sk/o-banke/profil-banky/vyroc-non-report/>) and on the *About the Bank/Bank Profile* page contain information on the professional competence of the members of the Supervisory Board and the Management Board in the sphere of finance and banking, as well as information on their work experience, which is a guarantee of effective management of the company in line with the Bank's strategy in the economic, environmental and social spheres. Each member of the Board of Directors is evaluated on the basis of the key economic indicators for which he or she is responsible. All managers in their respective positions are evaluated against the achievement of these indicators, including economic, social and environmental performance. The evaluation is carried out according to the Performance Assessment methodology and is the exclusive responsibility of the Supervisory Board.

General Assembly

The General Meeting is the supreme decision-making body of the Bank, representing all shareholders, and its decisions approved in accordance with applicable law and the Bank's Articles of Association are binding on all shareholders. The General Meeting shall be composed of all shareholders present at the General Meeting. Members of the Bank's Supervisory Board and Management Board regularly attend General Meetings to contribute to their smooth conduct and to respond to shareholders' questions and suggestions. The Management Board is obliged to convene an Ordinary General Meeting within three months of the preparation of the annual accounts and their . If the interests of VUB, a.s. so require and in the cases provided for by law, an extraordinary general meeting may be convened.

Internal control and internal audit of the Bank

The mission of the Internal Control and Internal Audit Department is to provide independent, objective assurance and consulting services aimed at adding value and improving the business activities of VUB, a.s. and its affiliates. It helps the VUB Group to achieve its objectives through a systematic, disciplined approach to assessing and improving the effectiveness of risk management, control and governance processes. The independence of Internal Control and Internal Audit is expressed in the organisational structure, where it falls directly under the Supervisory , which has also created an Audit Committee for the purpose of more detailed communication with respect to the Bank's internal control system.

Committees

At VUB Bank, the following bank-wide senior committees work to coordinate, escalate and make decisions on bank-wide procedures and initiatives:

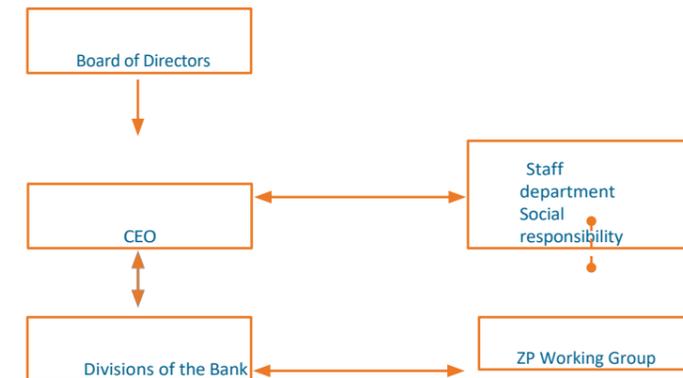
- ALCO Committee,
- Architecture Committee,
- Corporate Credit Committee,
- Credit Risk Committee,
- Operational Risk Committee,
- New Committee,
- Audit Committee,
- Permanent Crisis Staff.



Our responsibility

An approach to corporate responsibility

Corporate responsibility management



Staff department Social responsibility

The unit is included in the Bank's organisational structure as an independent department reporting directly to the CEO. It is headed by the Corporate Responsibility Manager, who is also a member of the international Corporate Responsibility Coordination Group of the parent company Intesa Sanpaolo. The role of the department is to provide support, guidance and, where necessary, coordination of corporate responsibility activities through designated representatives from each banking division.

Corporate Responsibility Group

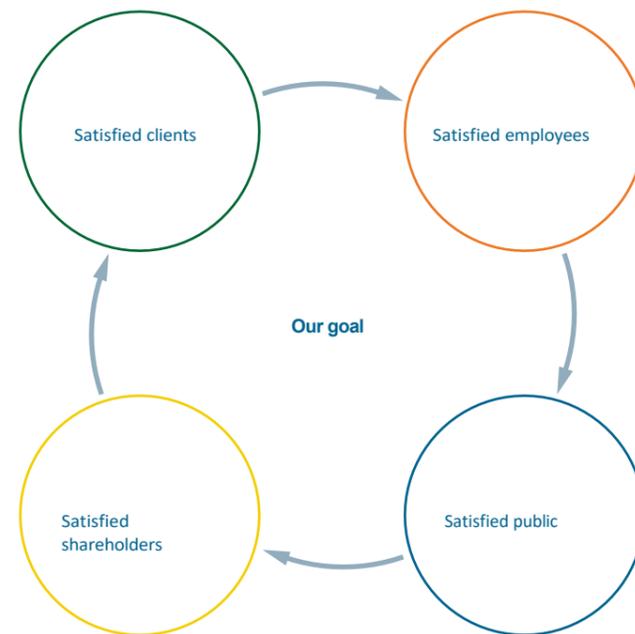
In order to implement the principles of corporate responsibility in all aspects of the Bank's activities, a Bank-wide Corporate Responsibility Group is continuously working, to which representatives from each banking division have been appointed by the Board of Directors.

The Group is responsible for

- implementing the principles of corporate responsibility in the activities of the Unit,
- management and monitoring of all aspects of corporate responsibility in its division,
- supplying qualitative and quantitative data for the annual report on responsible conduct,
- quarterly delivery of qualitative and quantitative data to the parent bank.

Managerial decisions in the area of corporate responsibility are the responsibility of the CEO, with all activities reported to the Bank's Board of Directors on a quarterly basis. Codes and policies relating to corporate responsibility are always approved by the Board of Directors, which is responsible for economic, social and environmental performance.

Corporate Responsibility Strategy



The subsidiary banks implement the same values, policies and principles of corporate responsibility in their activities as the parent Intesa Sanpaolo. The model applied by the parent company is based on the fact that, like the bank itself, all employees are responsible in their day-to-day activities. A comprehensive approach to sustainability is important, reflecting the needs of the bank's various partners, be they owners, employees or clients. The result is the implementation of common policies and principles of corporate responsibility.

Corporate Responsibility section on the intranet

A section on corporate responsibility has been created on the intranet for employees. It contains all adopted documents related to corporate responsibility (of Conduct, Internal Code of Conduct, policies), annual reports on corporate responsibility, presentations and information materials. The parent bank's core documents on responsible business conduct are also available to employees.

business.

Dialogue with partners

VUB Bank implements several programmes aimed at dialogue and communication with partners affected by our business activities. We mainly focus on dialogue with key partners through these channels:

- client satisfaction surveys,
- dealing with client suggestions,
- employee surveys and polls,
- discussion between staff and Bank management,
- communication with the community.

We pay most attention to the category of clients through several types of surveys to ascertain their satisfaction. The survey is based on the European Customer Satisfaction Index, a recognised European indicator. Client suggestions are investigated by the Care Department, which consistently receives and analyses all suggestions, their validity and causes, and gives feedback to other departments in the form of suggestions for improving processes, products and preventing similar potential mistakes in the future. More in the *Clients* chapter.

Attentive listening and dialogue are also important in relation to employees. Their satisfaction is periodically surveyed through employee surveys and by disseminating the Bank's values and the principles enshrined in the of Ethics. In 2011, a regular employee satisfaction survey was carried out throughout the Intesa Sanpaolo Group. We also conduct internal surveys on various topics throughout the year. Employees have the opportunity to ask questions directly to the CEO via an intranet form. We have designed a new benefits structure in which all changes were prompted by an employee survey and subsequently supported by an internal campaign. We also implemented a new internal survey called *Colleague to the Word*. The aim was to find out more about the opinion of female employees on working conditions at VUB and work-life balance. More in the chapter *Employees*.

Identification of community needs is ensured through meetings with representatives of communities, the third sector, education and other entities conducted by the Social Accountability Staff Unit.

All the forms of dialogue and communication with partners that have been implemented are specified in the individual chapters of this report. The dialogue with partners results in actions and commitments that the Bank implements in its business and action plans. All these measures help us to fulfil the Bank's mission, to improve our services and products, and to manage our relations with the Bank's partners in such a way that our relationship is equally balanced to the satisfaction of both parties.

Spreading the principles of corporate responsibility

VUB Bank is committed to spreading the principles of corporate responsibility and raising awareness among entrepreneurs and the general public. Since 2004, it has been a member of the Business Leaders Forum (BLF), an informal association that brings together leaders in promoting the principles of responsible business in Slovakia. VUB Bank is actively involved in the activities of the association, is a member of the working groups on responsible supply chain and climate change.

In 2011, the BLF focused on the theme of raising awareness of corporate responsibility among small and medium-sized enterprises. The association also addressed responsibility in the supply chain. To transfer responsible supply chain practices from BLF member companies to their suppliers and to manage risk in the supply chain, the TWINS project took place, where BLF association companies help their suppliers to do business responsibly. VUB participated in the project together with one supplier.

Business ethics and sensitivity management

We are a bank committed to doing business responsibly, and our clients, shareholders, employees and suppliers expect us to do business ethically. That is why VUB has decided to implement ethics in its business through concrete steps and has introduced a Code of Ethics as part of various important measures. It is a set of principles that is of strategic importance to us and regulates the behaviour of our employees. Its adoption is required of every employee without distinction. Compliance is continuously monitored and violations are sanctioned. The Code of Ethics is followed by a corporate anti-corruption programme with specific system and organisational measures, including an internal audit control system.

Given the great responsibility we have as a bank to our shareholders and, of course, to our customers, we have to comply with a whole range of legislation. Compliance with these is under the supervision of the regulator. However, we go further. We also follow rules that are not mandated by any law or authority, but which we take for granted because they give our business an ethical dimension.

Overview of proceedings in 2011

VÚB banka was a party to the proceedings before the Slovak Antimonopoly Office regarding a suspected agreement restricting competition with two other Slovak banks. In 2009, the administrative proceedings were legally terminated and VÚB Bank was fined EUR 3 810 461. As VÚB banka did not consider that the administrative proceedings were conducted in accordance with the law, in January 2010 a lawsuit was filed against the decision of the Slovak Antimonopoly Office before the competent court. By judgment of 28 September 2010, the Regional Court in Bratislava annulled the contested decision of the Slovak Anti-monopoly Office and returned the case to it for further proceedings. The Antimonopoly Office of the Slovak Republic appealed against that decision. The case was not decided in 2011.

In 2011, VUB Bank was a participant in three proceedings before the Advertising Council as an ethical self-regulatory body. In two cases, the Council's finding was negative and in one case the advertisement was assessed as being in breach of the Code of Ethical Advertising Practice. In accordance with the Code, the advertisement was withdrawn from the air without undue delay.

Codes of Ethics

Don't lie. We repeatedly use this word, which could capture the essence of all the ethical codes to which VUB Bank has adhered. The effort to provide clear and truthful information translates into practice one of our core values, which is transparency.

- Code of Conduct for banks in the field of consumer protection
- European agreement on pre-contractual information
- Code of Conduct for Housing Loans (ESIS)
- Code of Ethics for Advertising Practice

The text of all codes of ethics is published at <http://www.vub.sk/o-banke/hodnoty-principy/compliance/ethics-codes/>.

Internal and external ethical standards

VUB Bank continues to purposefully build its Corporate Governance and, in cooperation with its parent company Intesa Sanpaolo, sets its own internal corporate responsibility rules well beyond the basic framework required by Slovak legislation. The following internal regulations are in force:

- Compliance Policy,
- Internal Group Code of Conduct,
- Acceptance Policy,
- Policy for handling complaints,

- Policy for managing relations with political parties and politically engaged persons, clients operating in the arms industry and in risky sectors, clients from risky countries and transactions with risky countries in the VUB Group.

Intesa Sanpaolo Group Code of Ethics

The Code of Ethics defines the values held by the Intesa Sanpaolo Group and represents one of the pillars of the corporate culture. The Code is applicable to all subsidiaries worldwide. It represents a framework of ethical and moral values whose observance is a fundamental prerequisite for successful growth and sustainable development. It contains principles of conduct in relation to all partners that raise the level of standards that each individual within the company must adhere to in order to have the trust of all stakeholders. The values to which Intesa Sanpaolo subscribes through the Code of Ethics reflect its

corporate culture and history. As a management tool and part of the Group's broader vision of social and environmental responsibility, the Code of Conduct places the highest priority on relationships with all stakeholders. An electronic version of the document is published at <http://www.vub.sk/o-banke/hodnoty-principy/>.



Internal Group Code of Conduct

The Code sets out the basic principles of conduct for the Bank's representatives, employees and external partners, who are obliged to perform their duties responsibly, honestly, fairly and professionally; to promote the interests of the Bank and the Group, and to take into account the interests of clients and shareholders. The exercise of decision-making powers and all business activities must therefore reflect all the values and principles contained in the Code. The Parent Company and all Group companies promote - through an adequate system of internal control and appropriate training and information systems - respect for applicable laws and regulations, as well as compliance with the general principles of conduct set out in the Code at all decision-making and operational levels, and in every geographic context where Intesa Sanpaolo operates, in order to protect the assets, integrity and reputation of each company and the Group.

Environmental policy

An environmental policy is a written commitment to environmental protection that sets out the mission and objectives for environmental management. The policy defines the VUB Group's approach to preventing, managing and, where necessary, reducing direct and indirect environmental impacts generated by business activity. As a responsible company, VUB is committed to managing the impacts of its business activities and reducing the environmental impacts of its activities in cooperation with its partners. We are not a significant direct polluter of the environment, but we make it a priority to ensure that any negative impact on the environment is kept to a minimum.



UN Global Compact

VUB is a signatory to the UN Global Compact, a strategic initiative of the United Nations focused on accountability in business. Globally, more than 5,000 companies from over 100 countries have joined the initiative. VUB is committed to promoting ten basic principles in the areas of human rights, working conditions, the environment and the fight against corruption. These principles are fully in line with VUB's values.

Equator Principles

Intesa Sanpaolo is committed to the Equator Principles. They consist of a set of international rules for project finance developed by a group of international banks on the basis of the policies of the International Finance Corporation. The Principles are based on environ-

The World Bank's mental and social standards are applied to the financing of projects worth more than USD 10 million. The Principles help financial institutions select projects to reduce social and environmental risks in project finance. They make it mandatory for applicants for financing to prepare an environmental impact report. These principles are also followed by VUB. At the end of 2011, they carried out

CSR staff of the parent company's CSR department training for corporate banking and risk management departments related to the implementation of the Equator Principles at VUB.



Gift Acceptance Policy

This internal policy, which is based on VUB Bank's Code of Ethics, regulates the principles and restrictions on the conduct of the Bank's representatives and employees when accepting unsolicited gifts. It also establishes limits and rules of conduct when accepting gifts.

Relationship management policy with political parties and politically exposed persons, clients active in the arms industry and risk industries

In particular, the policy regulates:

- managing relations with political parties and politically-engaged persons in order to preserve impartiality and independence

In order to avoid potential reputational risks related to political parties and politically engaged persons, VUB Group is obliged to act impartially and independently. This means that companies belonging to the VUB Group will exercise the utmost caution when entering into business relations with political parties and politically exposed persons.

- management of relations with clients operating in the arms industry

In the context of upholding the values and principles defined in the Code of Ethics, the main objective of this policy is to prevent VUB and its subsidiaries from participating in financing activities and transactions related to the production of weapons equipment as well as trade in such equipment for military purposes.

- managing relationships with clients operating in risky business areas (industry risk)

Clients and potential clients operating in the sectors/business areas listed below are considered at risk within the VUB Group:

- exchange offices;
- Credit Unions;
- bars, nightclubs, casinos;
- gaming rooms with more than 3 slot machines;
- security agencies;
- sex shops and pornography distributors;
- collection agencies;
- brokerage companies;
- bookmakers.

- management of client relationships and transactions to/from risky countries (country risk)

Intesa Sanpaolo Group's clients and potential clients from selected countries, as well as all types of transactions and payments to and from these countries, are at risk in accordance with the requirements of the binding regulations and rules of the Intesa Sanpaolo Group.

Processing of confidential data

We respect and protect our client's privacy. We handle our clients' confidential data with the utmost care and with their knowledge and consent, in accordance with the law. At <http://www.vub.sk/>

[about-bank/values-principles/compliance/processing-trust-data/](#) we publish and continuously update a list of third parties to whom we have provided data:

- List of VUB intermediaries in the area of processing personal data of clients and persons to whom personal data constituting banking secrecy is provided,
- List of third parties and recipients to whom personal data of clients and constituting banking secrecy are provided and disclosed.

Investor protection (MiFID)

VUB continues to provide the highest possible protection not only to retail clients, but also to clients in the higher category of professional clients. VUB has adopted and is continuously improving a number of measures aimed at protecting investors and resolving their complaints. The basis for this legislation is the Markets in Financial Instruments Directive (MiFID), implemented in the Securities Act. Our clients have documents available on the Bank's website to help them better understand financial instruments and the provision of investment services.

Client protection in the provision of payment services

VUB Bank continues to implement effective measures aimed at better informing clients when using payment services in connection with the implementation of the PSD (Payment Services Directive) in Slovakia through the Payment Services Act. At the same time, through internal training activities, it further enhances the knowledge of its own employees so that the highest possible customer comfort is guaranteed when using payment in practice.

Client protection in financial intermediation

VUB Bank has aligned its activities with the requirements of Act No. 186/2009 Coll. on Financial Intermediation and Financial Counselling and on Amendments and Additions to Certain Acts, as amended, in order to provide clients with the protection required by law. In order to ensure greater protection of clients' rights, VUB Bank strives to treat each client as a retail in its financial intermediation. Basic information about financial intermediation, the products that are its and the tied and subordinated financial agents with which VUB Bank cooperates are published on its website.



Client protection in consumer credit

VUB Bank provides consumer loans in accordance with Act No. 129/2010 Coll. on consumer and other credits and loans for consumers and on amendments and supplements to certain acts, as amended.

Conflict of Interest Prevention Policy

VUB Bank undertakes to avoid conflicts between the private interests of its employees and the interests of the Bank. Employees are obliged to take the required measures to avoid conflicts of interest. Should such a conflict arise, employees shall resolve it in favour of the Bank. Employees shall never use their association with the Bank to advance their personal interests or damage the Bank's reputation by their actions, nor shall they use their position or confidential information to favour an applicant for employment with the Bank or a person wishing to enter into a business relationship with the Bank. The Bank regularly evaluates the measures and procedures implemented to prevent, minimise and address potential conflicts of interest. VUB has implemented measures to minimise the occurrence of external conflicts of interest in the economic activities of employees and in transactions between the bank and the employee or a person close to the employee. Employees should consult with their supervisor about their work activities outside their main job or involvement in business activities. The Bank has no objection to employees engaging in non-work activities as volunteers or otherwise for

provided that such activity does not interfere with the performance of regular work for the Bank or contravene the internal rules of the Bank and the ISP Group.

VUB also applies and complies with specific measures against conflicts of interest in the area of investment services. Their main objective is to prevent conflicts of interest or to manage unavoidable conflicts of interest in such a way that VUB Bank avoids the risk of damage to the interests of its clients. These measures are monitored and their effectiveness is regularly evaluated. In connection with the occurrence of a potential conflict of interest, VUB Bank declares that it will disclose the nature and source of the conflict to its clients prior to the provision of an investment service or performance of an activity, and will always put the clients' interests ahead of its own in the event of their provision or performance. In the event of a conflict of interest between the clients themselves, it will ensure equal and fair treatment of all affected clients.

In the course of 2012, VUB Bank will implement the Intesa Sanpaolo Group's strict rules on the conduct of personal business by the bank's employees.

Fight against money laundering and terrorism

In the fight against money laundering and financing of terrorism, we act in accordance with both Slovak and European legislation and ensure the protection of our clients as well as the bank itself. In the banking sector, we are a partner for the Financial Investigation Unit (FIU), which operatively reviews the signs of client behaviour reported by us, and we are also under the permanent supervision of the regulatory body of the National Bank of Slovakia.

We are increasingly active in relation to protecting banks from money laundering and terrorist financing and are paying more to this area. We do not want to even indirectly encourage these negative phenomena by facilitating financial flows through our products, services or in any connection with the Bank. For these reasons, we adhere to strictly set internal rules to prevent money laundering and terrorist financing through the detection of unusual business transactions. For these purposes, the Bank has developed and implemented its own Anti-Money Laundering and Anti-Terrorist Financing Programme based on/on:

- Slovak legislation,
- European legislation,
- FATF international recommendations, Basel Committee on Banking Supervision recommendations, Wolfsberg Principles, US Patriot Act,
- Intesa Sanpaolo's group laundering rules, as well as towards high-risk entities and countries.

We apply enhanced due diligence (Customer Due Diligence) in accordance with applicable legislation, taking into account the risk profile of individual clients.

Within the organisational structure, the Bank has defined a specialised unit responsible for the implementation, implementation and coordination of activities related to the protection against the misuse of the Bank for laundering and terrorist financing purposes, reporting directly to the Deputy CEO. The unit is also responsible for detecting unusual business operations and cooperating with the relevant regulators, and ensuring that all financial operations are monitored in accordance with the requirements of the law and international legislation. This unit also evaluates foreign payment transactions in real , preventing in the first instance the link between the banking sector and a sanctioned or risky person/country.

Information

The Bank has created a specialised unit, which is part of the Risk Management Division and deals with the detection of fraud and corruption, working closely with the Internal Audit and Internal Control Department and the Compliance Department. All the Bank's employees are informed about the internal ethical standards and the principle of

zero tolerance and have access to basic information on the steps to take in the event of any suspicion of corruption or fraud. As the Bank has a vested interest in detecting corruption and fraud, it has implemented a whistle blower policy that allows any Bank employee to communicate suspicions while maintaining anonymity.

The Bank does not hide detected cases of corruption and fraud from its employees, but on the contrary, it is committed to informing and educating its managers so that they continuously improve their work and eliminate shortcomings and errors in this area in the future. For this reason, both managers and employees are informed about some of the cases that have occurred in the past.

All newly recruited employees of the retail network are given a special lecture on the risks of fraud and corruption as part of their initial training, where they are warned about the typical signs of risky behaviour. The main objective of this training activity is to increase prevention and reduce the incidence of such cases.

Prohibition of discrimination

VUB Bank adheres to the principles of non-discrimination at all levels and in relation to all its partners, which are firmly enshrined in our Code of Ethics and value system. One of VUBB's values is: "We promote equality. We are committed to excluding any discrimination from our actions and to respecting differences based on gender, age, race, religion, political opinion, trade union membership, language ability or disability." For more information on how to apply, see the [Employees](#) chapter.

Corruption and fraudulent practices

Clearly defined attitude and principles

VUB Bank meets and is committed to high moral and ethical standards based on clearly defined principles. These principles have been communicated to all the bank's employees in various forms (distributed brochures, internal campaign, publication on the intranet). The principles are as follows:

- The Bank requires all employees to act with honesty and integrity and to protect the resources and information in their work environment or for which they are responsible.
- The Bank is committed to ensuring that the risk of fraud and corruption is reduced to the lowest possible .
- This policy applies to all unusual occurrences and covers both employees and external consultants, suppliers, contractors and/or any other third party in a business relationship with the organisation.
- All employees must make their own decisions in accordance with the interests of the Bank. They must not act with the aim of obtaining financial or other material advantage for themselves, their family or loved ones.

Zero tolerance

VUB Bank clearly proclaims its fundamental principle of zero tolerance to corruption and fraud. All the Bank's employees are informed about these principles:

- The Bank will not accept any form of fraudulent or corrupt behaviour, therefore each case will be thoroughly investigated and appropriate action will be taken.
- Any involvement in fraud or attempted fraud will lead to dismissal and possible prosecution.
- The necessary investigation will be carried out regardless of the relationship of the person concerned to the organisation, the position or the length of employment.

Measures to reduce corruption and fraud

Internal control system

The Bank has various controls built into its processes to minimise the risk of corruption and fraud. The Bank determines the need for a control mechanism in every process in which



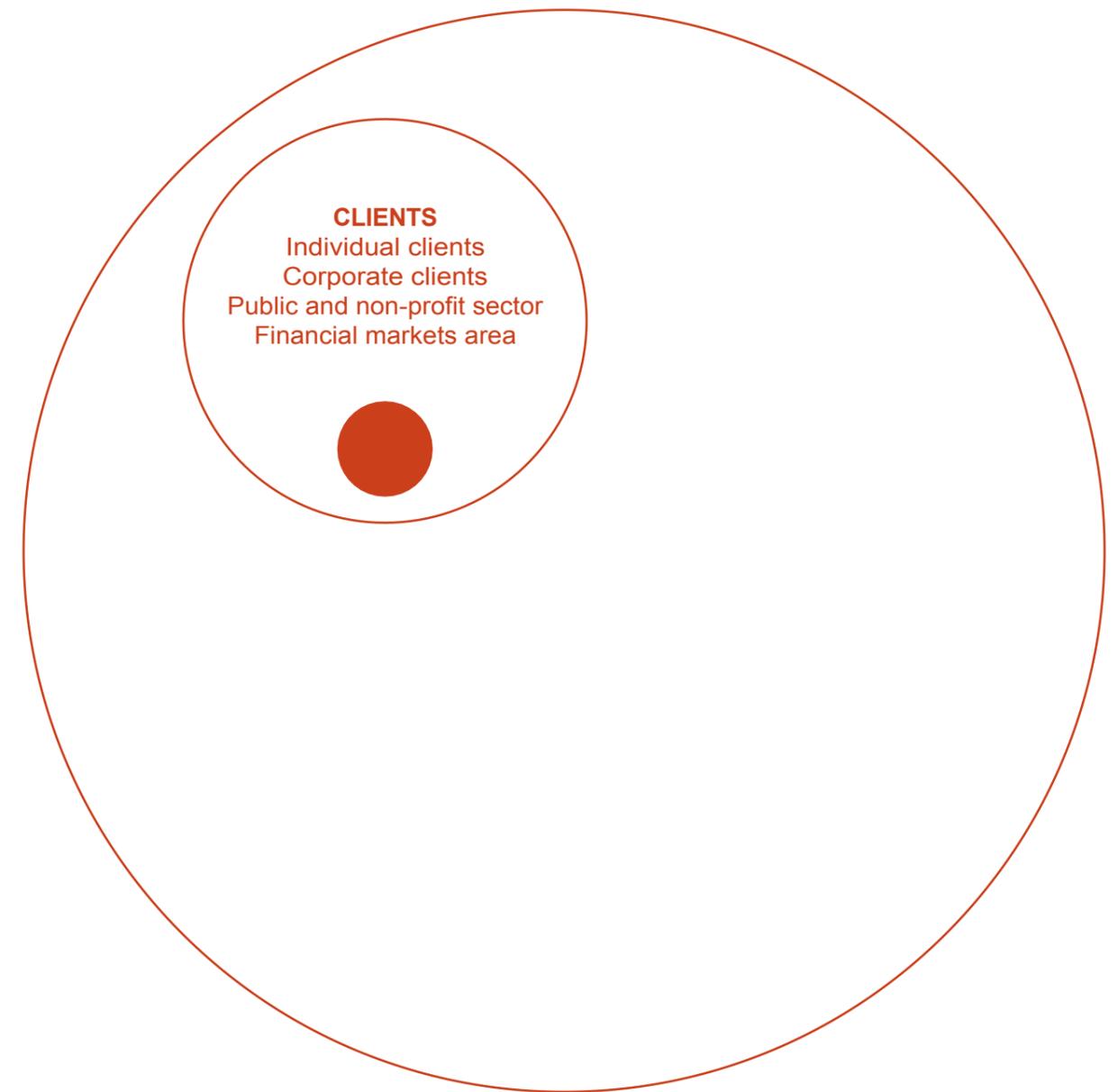
There is a risk of corruption and fraud (e.g. verification of decisions, four-eyes control, access rights management, .). The internal control system consists of three levels: statutory, executive and supervisory.

Internal audit

The Bank has established an Internal Audit and Internal Control unit, which is an independent supervisory body (the unit is directly subordinate to the Bank's Supervisory Board, not the Management Board). One of its main tasks is to verify the functionality of the internal control system, compliance with external and internal legislation, including the Bank's Code of Conduct, review of control system failures and suspicions of internal fraud.

In 2011, the Internal Audit and Internal Control unit reviewed the internal control system in all corporate branches, in more than one third of the retail branches and also carried out a number of specialised audits related to the risk of internal fraud and corruption. All key processes in the bank, selected on the basis of an annually prepared risk map, were also reviewed. On the basis of the risks identified in the individual audits, the Bank immediately took corrective action and set up regular monitoring of such areas and, where necessary, informed the relevant state authorities.

Clients



Clients are one of our most important partners and therefore they are our focus and priority. We strive to offer them the products and services they want and to achieve their maximum satisfaction. It does not matter whether the client is an individual or a large company, we treat everyone with the same responsible and professional approach. The ability to correctly identify the needs of our clients is a prerequisite for lasting success. That is why we have continued the *We Listen to You 100%* project, which focuses on improving the quality of service, improving processes, and innovating the bank's products and distribution channels.

Our clients

Individual (private) clients

The focus of our interest lies in retail banking, where we serve more than 1.2 million clients:

- citizens - natural persons,
- small entrepreneurs and sole traders,
- a representative,
- .

In many areas of banking for this clientele, we have a significant market position (mortgages, credit cards, direct banking), and we are often the first on the to introduce new product solutions.

Corporate clients

Corporate clients represent an important segment in VUB Bank. A unique network of 32 corporate branches across Slovakia guarantees a professional and personal approach to clients, whether they are small, medium and large companies, towns and municipalities, farmers or apartment and condominium managers. We use local knowledge combined with international know-how, which enables us to provide a range of attractive products and services, from traditional to specialised and tailor-made products and services. In addition, we offer products that contribute to environmental sustainability.

Municipality

In 2011, VUB Bank continued to strengthen its position in the local government segment, as well as to improve the quality of its products and services. Despite the strong competition on the market, local governments consider us a reliable and stable partner, which was reflected in many successfully implemented projects. To a large extent, we have participated in co-financing projects supported by EU funds aimed at the development of infrastructure of towns, municipalities and regions.

Financial and capital markets

We provide services to a wide range of clients, which are financial institutions and business clients, including both legal entities and individuals. We work closely with and support retail and private banking clients and interact daily with many partners in the global interbank market.

At the end of 2011, VUB Bank had 1,255,977 clients, including 1,153,587 individual clients (citizens) and 102,410 corporate clients (sole traders, large companies, small and medium-sized enterprises and other corporate clients).

	2011	2010	2009
Individual clients	1 153 587	1 153 997	1 146 865
Corporate clients	102 410	103 036	101 371
TOTAL	1 255 997	1 257 033	1 248 236

Further breakdown of corporate clients (retail and corporate clients)

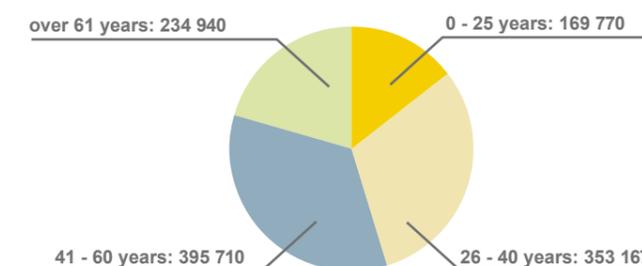
	2011
Retail clients	91 969
Corporate clients	10 441

Client segmentation

We continuously monitor and evaluate every three months whether and how the structure of our clients has changed, which allows us to regularly review and improve our service offer.

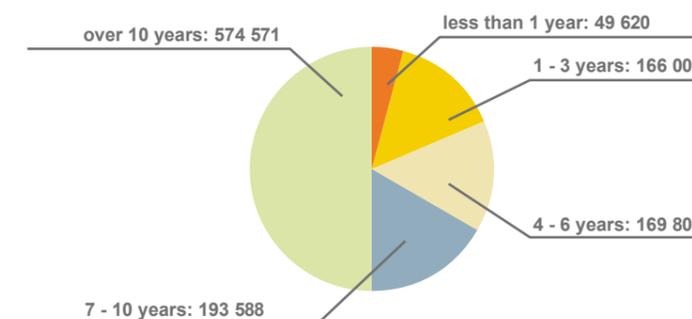
Our individual clients

Breakdown by age



The average age of a VUB client is 44.7 years.

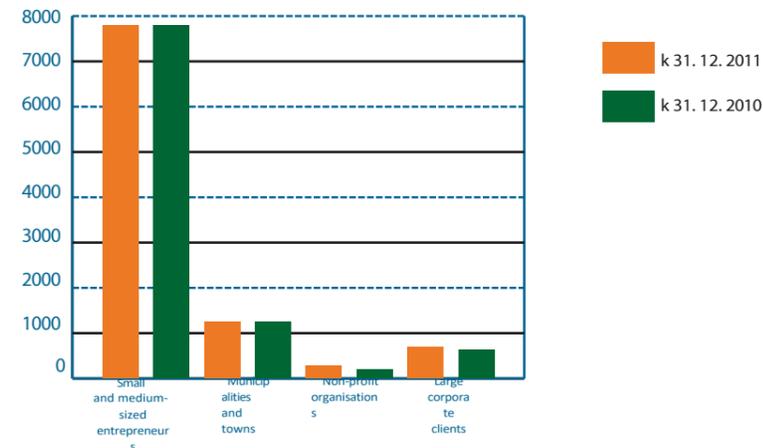
Breakdown by length of business relationship with the bank



The average length of a client's relationship with a bank is 10.14 years.

Our corporate clients

Number of corporate clients



Closer to clients

As of 31 December 2011, the following was to VUB Bank's clients:

- 206 retail branches,
- 11 mortgage centres,
- 32 corporate branches.

During the year, 1 new retail branch was established in Bardejov and 1 retail branch in Bratislava was formed. All branches of VUB Bank are available to clients 5 days a week. 4 retail branches are open 6 days a week and 17 retail branches and 1 mortgage centre are available to clients up to 7 days a week. No. Corporate offices are located in all major cities across the country with the aim to be as closest to clients.

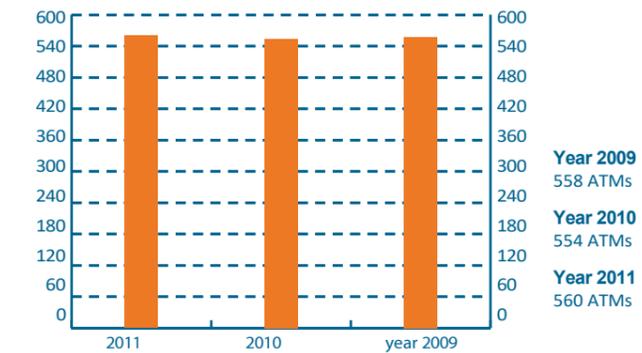
There is also a Contact which provides services for all clients, whether , or , for residents of the Slovak Republic and foreigners. It operates 24 hours a day 7 days a week. Operators provide service and advice via phone and email. They also do activities related to ensuring the security of our clients' funds, whether it is the security of internet banking or security related to payment .

ATM network and security

As of 31 December 2011, VUB Bank had 560 ATMs installed, while in 2011 6 ATMs were installed in new locations and 10 ATMs were relocated to other locations more convenient for our customers. At the same time, 52 old ATMs were replaced with new ones. New credit top-up services for prepaid phone were deployed on all ATMs.

To increase the security of PIN code entry, a security screen was installed on ATMs in 2011 with information on how to safely enter the PIN code. The latest anti-skimming protection was deployed on ATMs in 2011. We plan to continue this activity in 2012.

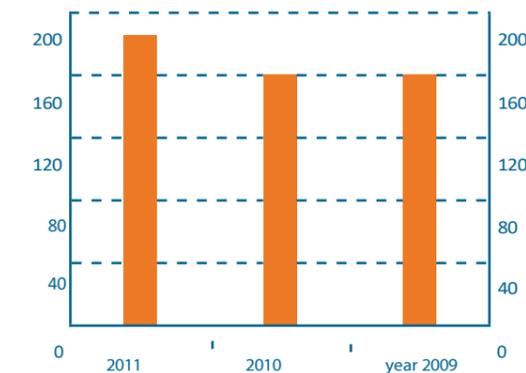
Number of ATMs



Accessibility for the disabled

We strive to make our branches easily accessible for people with . All new outlets have barrier-free access and when renovating older ones we make sure that such access is built. Fifty per cent of ATMs have hardware training for communication with the visually impaired.

Number of branches with barrier-free access

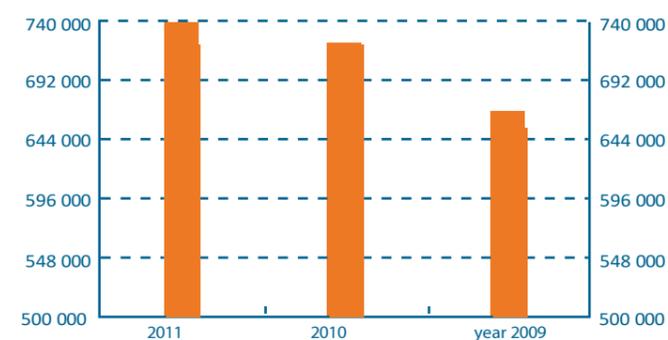


Direct banking

In 2011, VUB Bank continued to improve the quality of its nonstop banking services, which include Contact, Internet Banking, Internet Banking Plus, Mobile Banking and Business Banking.

As of 31 December 2011, the Bank had more than 737,000 customers with activated e-banking services. Compared to 2010, we have seen an increase in the number of clients with Nonstop banking services. In the area of payments, there was a 34% increase in the number of transactions through electronic channels.

Number of clients with activated e-banking services



During 2011, several changes were implemented in order to meet the needs of our clients in our 24-hour banking services:

- the possibility of confirming payments by SMS authorisation also via the Contact service,
- setting up SMS authorisation also for foreign phone numbers,
- modification of the contact form in internet banking in order to speed up and improve the quality of responses to our clients.

Security and privacy

Protecting our clients' confidential information and privacy is a matter of course for us. All information and documents about clients that are not publicly available, in particular information about business with the bank and account balances, are subject to banking secrecy.

Security in branches

All branches of VUB Bank are equipped with and other security devices in accordance with the relevant legislation. The basic rule of security is that the protection of the lives and health of customers and employees always takes precedence over the protection of property.

Security in direct banking

In 2011, VUB Bank increased security in Internet Banking Plus by improving the encryption algorithm.

Payment card security

Since 2008, VUB Bank has increased the security of payment cards by gradually switching to chip technology. All new cards have been issued as chip cards since 2008, and existing "non-chip" cards are gradually replaced with cards with new chip technology after their expiry date. The transition to chip technology across the entire portfolio of VUB Bank's payment cards is expected to be completed in 2012. The introduction of mandatory PIN code entry at the time of payment has also contributed to higher security.

Another form of payment card security is insurance in case of misuse of a lost or stolen card. This insurance applies to corporate cardholders and is provided automatically and free of charge. The insurance covers unauthorised transactions during the 24 hours before the lost or stolen card can be reported blocked.

In 2011, VUB Bank started issuing cards with contactless technology, which increases the convenience and speed of payments up to EUR 20. Security is ensured in the form of insurance in case of misuse up to EUR 100.

Active listening and dialogue with clients

Client care and complaint handling

The aim of the Client Care Department is to continuously improve products and services, actively listen to clients and look for ways to communicate with each other. Through active listening we want to better understand clients' needs and expectations in the area of banking products and services. We want to do everything for to meet these needs and expectations and become the best bank in customer satisfaction. At To achieve this goal, we rely mainly on the feedback we receive from the client in the form of compliments, comments and suggestions. We divide client suggestions into complaints, claims and requests. Although feedback is negative for us in this form, it allows us to look for ways to improve. We offer several options, how the client can contact us and forward their feedback to the bank:

- electronically (via the online form) via the Contact tab at www.vub.sk,
- by a freely worded e-mail to the Contact, Customer Care Department or any bank e-mail address (forwarding to the correct location is internally secured),
- by calling the Contact service,
- in writing to the Care Department,
- in person at any sale.

The following figures show that our clients still prefer personal contact.

Channels through which clients address their suggestions to the bank	Number of suggestions	%
Branch network	8 340	55,09
By phone - Contact service	5 661	37,39
Headquarters - Client Care Department	1 139	7,52

	2011	2010	2009
Number of complaints	15 140	16 351	19 071

Types of incentives	2011	2010	2009
Complaints	338	206	386
Complaints	13 669	14 103	14 035
Applications	1 133	2 042	4 650

Handling of complaints

Stimulus	2011		2010		2009	
	number	%	number	%	number	%
Accepted (justified)	8 777	57,97	9 248	56,6	13 522	70,9
Rejected	6 095	40,26	6 645	40,6	5 296	27,8
Unclassified	268	1,77	458	2,8	253	1,3
Total	15 140	100,0	16 351	100,0	19 071	100,0

The most frequent client suggestions concerned transactions via payment terminals and ATMs, deposit and e-banking.

In 2011, we made the following improvements and new initiatives:

- unification of all input channels,
- Improving monitoring and mapping of data,
- the number of justified complaints and complaints about a particular outlet or employee enters into the quality rating of the branch and thus directly influences remuneration,

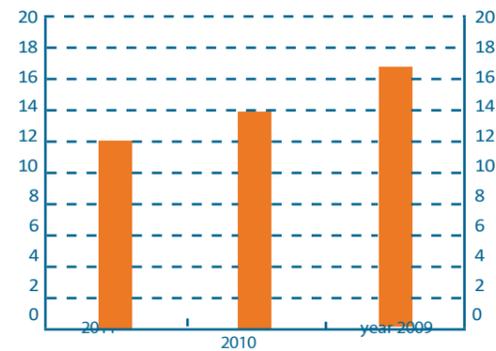
- Continuous staff retraining,
- in the event of a mistake, we take corrective action and take steps to ensure that the same mistake does not happen again.

Our principles for dealing with incentives:

- we respect every client and deal with every suggestion professionally,
- We strive to understand our clients and their views,
- We thoroughly investigate the causes of complaints and try to resolve them as quickly as ,
- in the event of a legitimate claim/complaint, we take the necessary to avoid the same mistake being repeated in the future,
- we always provide our clients with true, correct and verified information,
- We provide clients with clear, understandable and transparent explanations,
- we strive to advise and find a satisfactory solution for the client,
- we handle confidential client data discreetly to the extent of clients' consent and in accordance with law,
- we always negotiate with the client in good faith and without any prejudice,
- transparency and ethics are of equal value to technically and administratively flawless service.

We inform our clients of the outcome of the complaint in the same way as they submit their complaint. The maximum time limit for resolving a complaint is set by law and we always respect it. In terms of time, the average time to resolve a complaint has decreased compared to 2010.

Average time to resolve complaints (number of days)



Client satisfaction

We are aware that not only numbers, graphs, volumes, but also the category "client satisfaction" are the measure and the basis of our success. Its essence is quality service and the pursuit of continuous improvement in based on communication and feedback.

Our goal is to be the best bank in customer satisfaction in Slovakia. In this context, we implemented two new initiatives in 2011: the Student Customer Satisfaction University Award competition. You can read more about this competition in the *Community* chapter.



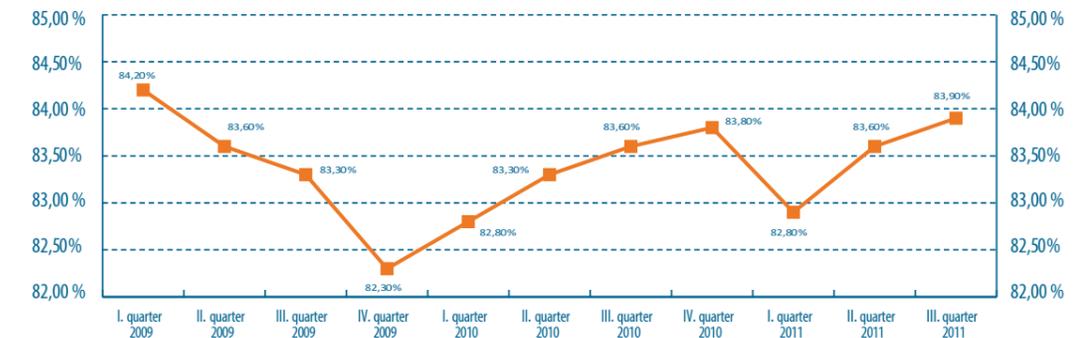
The Client Day was organised at VUB for the first time on 20 September 2011. On this occasion, we prepared an information leaflet for clients about VUB Bank's activities in the area of client satisfaction, each client was greeted directly by the manager upon entering the branch and clients left with a little attention. We will organize a special day for our clients every year in September.

To turn words into action, we created the **Listening to You 100%** program to understand the needs of our clients. Listening to our clients is essential to improving the quality of our services and building a strong relationship of mutual trust together. That is why VUB Bank conducts customer satisfaction surveys to gauge our clients' opinion on the quality of our services and products.

Three different types of satisfaction surveys were conducted in 2011:

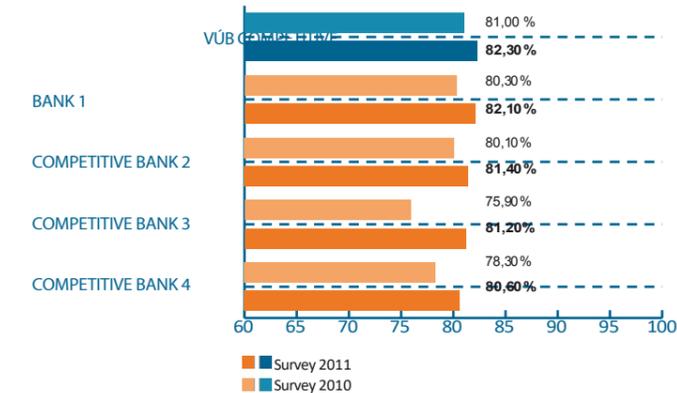
1. Retail and SME Client Satisfaction Survey - nearly 20,000 clients were contacted, over 5,000 hours of interviews were conducted over the phone and over 1,500,000 were asked. We found out how our clients perceive our bank, how satisfied they are with our services, products and our approach. The level of satisfaction of our clients is expressed through the European Customer Satisfaction Index (ECSI). The results of the surveys are the basis for the development of action plans aimed at improving areas where client satisfaction falls short of our desired values.

European Client Satisfaction Index



2. Interbank survey of retail and SME client satisfaction (Bank benchmarking, retail customers 2011) conducted by an external company on a sample of 2,250 respondents. Clients of the largest Slovak banks were surveyed. Respondents rated VUB as the bank with whose services and products they are clearly most satisfied in a strong competition and also showed the highest degree of loyalty. Our goal is to maintain our leading position and continue to improve the quality of our products and services.

European Client Satisfaction Index



3. Survey of retail clients' satisfaction with Internet banking. Randomly selected clients were included in the survey and all responses were statistically processed from the completed questionnaires. The aim was to determine the level of satisfaction with the Internet banking service and, based on the responses, to identify problems and subsequently ensure improvements. For each completed questionnaire, VUB Bank donated EUR 1 to *Plamienok* Children's Hospice.

The *Listen to You 100%* programme complements the *ZAPNi* employee programme, which aims to capture good ideas and put them into practice as effectively as possible. More in the *Employees* chapter.

Rating of branches

In 2011, we continued to recognise the quality of the services we provide through the **evaluation of our sales outlets with a quality certificate**. The aim is to identify the strengths and weaknesses of a particular branch, determine how to improve quality and ensure an increase in the number of satisfied clients. **Quality certificates** are not an assessment of quantity, but of the quality of service and sales.

Product development and innovation

Quality product offer

VUB Bank pays increased attention to the continuous development of new products and services and their improvement. In 2011, we confirmed the successes of recent years and won the most awards in the *Golden Coin 2011* financial products competition. Out of seven categories of banking products, VUB was successful in six. It won three gold, one silver and two bronze coins.

VUB Bank scored especially in the categories of **housing loans** (Flexihypotéka), **consumer loans** (Flexipůjčka) and **business financing** (Profiúvěř), for which it won the Gold Coin. It won silver in the category of **electronic banking** (Internet banking) and bronze coins in the categories of **bank account** (Flexiaccount) and **investment banking** (Internet banking for private banking clients). VUB also won the **2011 Discovery of the Year** award for Flexi Savings.

The ranking in the individual categories was decided by experts from among economic journalists, representatives of higher education institutions, news agencies, economic servers, financial advisors, professional associations and market research companies. The aim of the Gold Coin competition is to help the general public to find their way around the multitude of financial products on offer and to highlight the best quality ones. For more information, see *Profile and management*.

Individual clients

In the area of retail banking, VUB Bank brought the following innovative and new products to its customers in 2011:

Savings and investment

- **new term deposit terms in EUR** - 36 and 48 months on a standard term deposit with a more favourable interest rate;
- **a new product Savings FLEXIviac** - savings with a more advantageous interest rate and a bonus for real savings. The interest rate is guaranteed not to fall below an agreed minimum level during the entire term of the deposit;
- **3 new issues of guaranteed deposit** with 3 and 4 year commitment and minimum yield guarantee and bonus yield option;
- **2 new issues of mortgage bonds** with 4 and 5 year maturities and the possibility of obtaining an interesting yield;
- **Combiproduct VII** - a combined investment in a time deposit and selected mutual funds of VUB AM;
- **interactive sales** - making the sale of term deposits available via a "touch application" in the VUB Bank branch in the Aupark shopping centre in Bratislava. Using the touch screen, the client can

The user can set the parameters of the term deposit (currency, amount of funds, commitment period), while automatically obtaining information on the interest rate and gross interest for the entire commitment period of the deposit.

Current accounts area

- **automatic change of older package types to the current Flexiaccount product** for all residential clients and **Flexibiznis** account for legal entities; the product provides clients with more options and more flexible product and service settings;
- **extension of the products and services included in the Start Account** (product for young people up to 26 years of age) with the **EURO 26 payment card**, which combines the functions of a debit payment card and a EURO 26 benefits card;
- **Extension of products and services included in Flexi Account, Senior Account and Start Account with VISA Inspire card** - it is an international debit payment card with contactless technology;
- **expanding the possibilities of becoming a "Good Angel"** - VUB Bank allows its clients, Flexiaccount holders, to contribute to the Good Angel account with each debit payment through the Flexisporenie service, in the form of rounding the payment to the whole euro; on the website www.dobryanjel.sk the client can also track the amount contributed to Flexisporenie and to whom their contributions were made.

Bank-insurance area

- **advantage of property insurance and home insurance** to Flexihypotéka by adjusting the parameters;
- **extension of insurance services on Flexiaccount and AMEX Gold card** with new risks and increase of insurance limits;
- **addition of a new insurance - medical assistance services within the basic offer of Flexiaccount products**; this insurance will provide the client with assistance at home and during hospitalization in the hospital after 48 hours of hospitalization (e.g. extra room, transportation, shopping, cleaning, care, etc.) and financial reimbursement after 14 days of hospitalization;
- **Adjustment in life insurance for greater client flexibility in choosing between savings and risk cover**;
- **expanding the range of information available from the insurance company in VUB Bank branches** in the area of finding out the current status of insurance claims settlement in order to increase the comfort of clients.

Payment cards area

- introduction of a new product **Bratislava City Card** - it is a non-embossed debit payment card with the possibility of contactless payments. **The Bratislava City Card** is issued in cooperation with the Capital City of Bratislava for citizens residing in Bratislava. The card combines a number of functions with the following possibilities of use: international payment card, identification chip card, so-called tram card, library card, electronic ticket, card for obtaining discounts and benefits. **The Bratislava City Card** is issued free of charge and its main benefit is discounts in public transport, thanks to which Bratislava citizens travel cheaper;
- introduction of the new **Visa Inspire** product - the first joint payment card issued within the Intesa Sanpaolo banking group. The international non-embossed **VISA Inspire** debit card **with contactless technology** allows holders to pay more easily and quickly at merchants. In addition, clients receive automatic insurance in case of misuse. The main benefit for clients is free cash withdrawals abroad from Intesa Sanpaolo Group ATMs.

Lending area

- **Refinance Flexihypotek** - improving the terms and conditions for the repayment of other loans and extending the refinancing option to other types of loans. At the same time, when consolidating different loans, the client has the opportunity to obtain extra funds, i.e. he can draw part of the loan without a purpose;

- **Flexi-mortgages** - we have expanded our interest rate fixation offer to include a 3-year fix. At the same time, the mortgage certificate as a free confirmation of creditworthiness has become more accessible, as the client can obtain it for any Flexihypotéka directly at the branch;
- **Flexi-mortgage with a discounted interest rate** - the client can reduce the interest rate himself if he chooses other products or services in addition to the Flexi-mortgage;
- **Flexi-loans for young people** - a new product (purposeless consumer loans) for young clients up to 23 years of age;
- **Simplification of the conditions of the Flexi-Loan for students and introduction of an advantage for active students.** Advantage: 50 % discount on the loan origination fee and a 1 % p.a. interest reduction over the life of the loan for students with excellent grades, participating in extracurricular activities and volunteering;
- **free change of contractual conditions** - we allow clients who have lost their jobs or have had their income reduced for another serious reason to defer annuity payments or extend the maturity date free of charge. This change will make it easier for clients to overcome an adverse period in their lives.

The area of lending to small business clients

- **Extension of the maximum maturity for the no-purpose Profiúver to 48 months**, which increased the availability of the loan also for clients with lower annual turnover;
- **advantageous loan offers - TOP ups** (in the form of a no-purpose Profiúver) for clients who have already been granted a loan in the past and are repaying it without delay and meet other conditions set by the bank. The advantage consists in granting a preferential interest rate, with a discounted loan origination fee, without the submission of documents required to approve the loan application;
- **loans provided through the Business Credit Line** - this is a service that the client receives based on active use of our products for a minimum of 6 months. Thanks to it, he has the opportunity to obtain additional resources for the development of his business practically immediately, even without the condition of a minimum period of business, which is set in the case of standard loans. The maximum repayment period for an instalment loan has also been extended from 24 to 48 months. The advantage also consists in granting the loan without any documentation (depending on the average monthly credit volume in the business accounts), at a discounted loan origination fee and at a discounted interest rate.

Corporate clients

We consider it very important that our product and service offering is adequate to the requirements of our clients. In order to be able to respond to these demands in a timely manner, we continuously conduct research, meet our clients in person and develop new products or improve existing ones on the basis of what we find out. Our constant interest in coming to the market with new products and services and their was also demonstrated in 2011.

We have introduced these innovative products and services:

- **FLEXI loan for farmers** - in 2011 we prepared an innovation for farmers - the pre-credit loan, thanks to which clients can obtain a loan of up to 100% of the expected direct payments before they are paid from the Agricultural Payment ,
- **FLEXI soil** - is a novelty that we have prepared for farmers. It is an investment loan for the purchase of land for agricultural production,
- **Loans for Apartment Owners' Associations and Owners of Apartment Buildings** - in an effort to support energy efficiency projects, we are setting new, more favourable terms for these loans,
- the introduction of the **EFT-POS Invoice Payment** service, which brought:
 - VUB's corporate clients - recipients of invoice payments to accelerate the collection of receivables without any fees from the bank,
 - corporate clients of VUB - merchants extension of services,
 - retail customers by expanding their options for invoice payment and saving time and fees associated with invoice payment.

IT innovation

The bank's goal is to provide its clients with quality services with a high level of availability. For this reason, the Bank continuously invests in the development and renewal of information technologies. The efficient technology used by the Bank's employees also contributes to the improvement of the quality of service provision. In 2011, we replaced more than 1 700 personal computers in our branches. The new computers were installed with the latest version of the Windows 7 operating system and the Microsoft Office 2010 office suite.

The bank is constantly improving the quality and range of services provided by continuously improving its computer applications. In 2011, we invested more than 23,000 man-days of analytical, programming and testing work in the development of existing applications and the development of new ones.

One of the Bank's priorities for 2011 was to reduce operational risk in line with the Bank's business continuity management requirements. As part of this activity, we built a modern backup data centre, to which we moved the Bank's information technology at the end of October 2011. The new centre was built using the latest technologies, with a view to ensuring high availability and with an emphasis on reducing power consumption in line with the "Green IT" concept.

Simplicity and transparency of communication

We want our clients' cooperation with our bank to be always easy, comfortable and beneficial. We care that they know how to exercise their rights and know the bank's obligations towards them. As a signatory to the *Code of Conduct for Banks in the field of consumer protection*, we inform our clients about everything as openly as possible. We provide them with information about our products and services through:

- Staff,
- business places,
- information leaflets,
- brochures and guides,
- websites (www.vub.sk, www.flexihypoteka.sk, www.flexiucet.sk, www.flexibiznisucet.sk, www.startkonto.sk).

In addition to up-to-date information about the bank and its products and services, clients and the general public can also access various **interactive calculators**, e.g. for calculating the maximum loan amount. In order to increase the financial awareness of clients, we have prepared a **section** on our website **dedicated to financial education**, where both clients and non-clients can visit:

- get information on financing options for different life situations,
- discover the world of banking products and that it is not so complicated,
- learn how to manage your finances more efficiently and save time.

To explain and facilitate the work with Internet Banking, we have prepared **instructional videos** (one- to two-minute video instructions with advice on how to proceed with individual tasks) for our clients.

Professional associations

At VUB, we value our clients and therefore we adapt our offer of products and services to their needs and specific requirements. We strive to get to know our clients and differentiate our product portfolio to meet the requirements of our client base to the maximum extent possible. One of the forms of getting closer to the client, cooperation and communication is the conclusion of agreements with professional associations (chambers and associations). It is VUB Bank's interest to establish the most intensive cooperation with professional associations in terms of mutual communication, support of activities, marketing activities and the use of banking products and services by their members. The cooperation is aimed at making the Bank's products and services as accessible as possible to the members of professional . That is why there is a **special section for professional associations on** our website.

Continuous development, credibility, reliability and honesty are the main values we apply in meeting the needs of members of professional associations. Our partners include:

- Association of Private Practitioners,
- Chamber of Veterinary Surgeons of the Slovak Republic,
- Slovak Chamber of ,
- Slovak Medical Chamber,
- Slovak Chamber of Commerce,
- Slovak Chamber of Agriculture and Food,
- Slovak Chamber of Commerce and Industry - Banks and Insurance Section,
- other chambers with special offers.

Staff



Strategy

We are that our success is based on the expertise of our employees and the quality of service provided to our clients, therefore we consider the creation of interesting work and a stimulating working environment to be a key role in the development of human capital. In our relations with our employees, we are guided by the principles of the Intesa Sanpaolo Group Code of Ethics and we are committed to excluding any discrimination from our actions and to respecting differences based on gender, age, race, religion, political opinion, membership, language ability or disability. We respect the value, contribution and professionalism of each individual as well as the uniqueness of the conditions in which they operate.

The strategy we followed in :

- An important objective was to retain quality staff, especially in the retail branch network. VUB currently has well-educated and trained employees in direct contact with clients, who are in demand by other banks, so their stabilisation was a priority. Therefore, we have adjusted the remuneration system to be competitive with other banks in the terms of basic salaries, has not been achieved in the past in the area of basic salaries.
- In order to stabilise executive staff, we have continued to support the career development of staff through the prioritisation of internal filling of vacant positions.
- In the context of employee development, the main theme in the retail business network was communication with the client in sales and service, with a focus on building a relationship with the client through training called "My Client".
- The second important topic in the area of training was the mandatory topic of "Financial Education", which banks are obliged to undertake under the Financial Intermediation and Financial Advice Act .
- We provided an increased number of training sessions to the headquarters' professional staff compared to the previous two years.
- In the area of recruitment, in addition to regular recruitment, we focused mainly on a group of students, who were offered a unique opportunity to work as interns at VUB within the framework of the "Internship and Work" project and thus gain a broad insight into the banking industry.
- We have also strongly supported university students through the *Customer Satisfaction University Award* project. This competition, organised in cooperation with the parent bank, gave talented students the chance to present their innovative ideas at the level of the VUB Bank Board of Directors. In the international final, the Slovak students won first place and were thus given the opportunity of an internship at the parent bank in Milan.
- In addition to the traditional employee opinion survey at the international group level, for the first time we also conducted an employee motivation survey with a benchmark in the Slovak market (Aon Hewitt). Thanks to the survey, we received valuable feedback down to the level of individual VUB divisions, which gave us the opportunity to develop the weaker parts of the banking units individually and in a targeted manner.
- We have developed a strategy for a new approach to employee health care and a balance between

work and private life. We have designed a new benefits structure that has come into effect from 1. 1. 2012. All changes were prompted by a staff survey and subsequently supported by an internal campaign.

- We have launched a new internal survey called *Colleague for a word*. The aim was to find out more about the opinion of female employees on working conditions at VUB and the reconciliation of work and personal life.

Staff structure

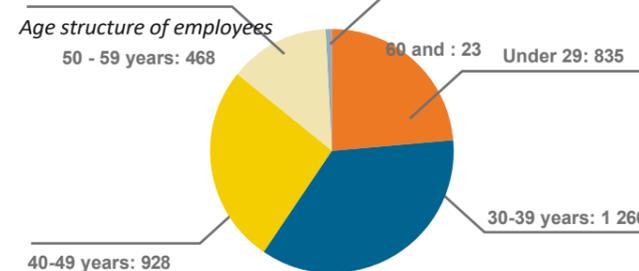
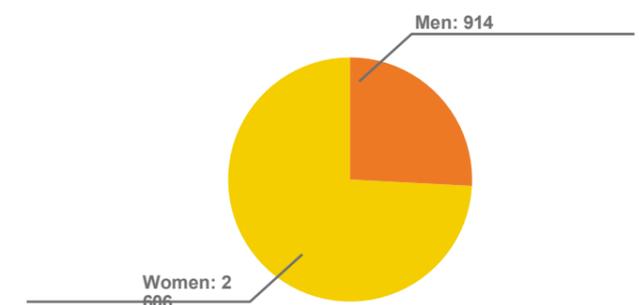
Type of employment contract	2011	%	2010	%
Indefinite time	2 995	85,09	3 017	87,07
(Certain) (time) Type of employment	575	14,91	448	12,93
Full	3 511	99,74	3 458	99,80
Shortened	9	0,26	7	0,20

Employment by region	2011	%	2010	%
Bratislava	1 558	44,26	1 507	43,49
Trnava	236	6,70	233	6,72
Trenčín	246	6,99	246	7,10
Nitra	273	7,76	270	7,79
Žilina	282	8,01	287	8,28
Banská Bystrica	366	10,40	365	10,53
Prešov	289	8,21	286	8,25
Košice	270	7,67	271	7,82

Staff structure by job type

	number	men	Women
Senior management positions	68	44	24
Other managerial positions	514	175	339
Non-managerial positions	2 938	695	2 243

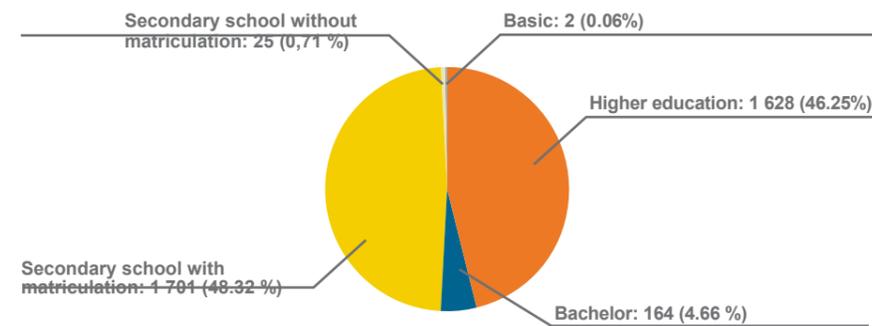
Staff structure by gender



Average length of working relationship

	men	Women	Together
2011	7,71	10,50	9,77
2010	7,60	10,23	9,56
2009	7,50	9,91	9,32

Staff structure by educational attainment



Job classification by region

	number of men	number of women	men in %	Women in %
Total headquarters	537	759	15,26	21,56
Corporate network total	55	87	1,56	2,47
Bratislava Regional Directorate	8	14	0,23	0,40
Regional Directorate West	17	26	0,48	0,74
Regional Directorate Centre	11	27	0,31	0,77
Regional Directorate East	19	20	0,54	0,57
Total retail network	322	1 760	9,15	50,00
Regional Directorate Bratislava - East	52	156	1,48	4,43
Regional Directorate Bratislava - West	50	165	1,42	4,69
Regional Directorate Banská Bystrica	25	199	0,71	5,65
Regional Directorate Košice	31	193	0,88	5,48
Regional Directorate Nitra	31	200	0,88	5,68
Regional Directorate Prešov	37	206	1,05	5,85
Regional Directorate Trenčín	33	186	0,94	5,28
Regional Directorate Trnava	18	190	0,51	5,40
Regional Directorate Žilina	34	198	0,97	5,63
Regional management - alternative distribution channels	11	67	0,31	1,90
Total	914	2 606	25,97	74,03

Fluctuation

Turnover (staff outputs) in 2011 remained at about the same level as in 2010 - 12.25%, an increase of 0.23 p.p. A total of 427 staff left, of whom 131 were men and 296 women. The turnover rate reflects current trends, which are reflected, among other things, in increased market turnover. In addition to external factors, we have sought to reduce turnover through the following practices:

- by drawing up an adaptation plan when each staff member joins,
- continuing regular meetings with new staff during the probationary and adaptation years,
- ongoing motivational interviews with employees after the adaptation period to obtain feedback (it is also a source of identifying possible departures of newly recruited employees and dealing with such unwanted situations),
- improving the quality of recruitment tools for key positions (assessment and development centre),
- preventive management of staffing problems through HR Relationship Managers in the regions and at headquarters,
- changing the remuneration system in the retail network in order to adjust the ratio between fixed and variable pay in favour of the fixed component so that we are closer to our competitors and at the same time so that the amount of the variable component is sufficiently motivating to meet the set objectives,
- conducting exit interviews, identifying reasons for departures and following up those reasons.

Overview of outputs in 2011

Gender	Outputs	fluctuation in %	average condition
men	131	14,62	862
Women	296	11,44	2 598
TOTAL	427	12,25	3 460

age structure

Age Group	Outputs	fluctuation in %	average condition
less than 30	166	19,77	840
30 - 39 years old	161	12,78	1 260
40 - 49 years old	67	7,41	905
50 - 59 years old	32	7,00	457
60 years and over	1	4,71	21
TOTAL	427	12,25	3 460

region

Region	Outputs	fluctuation in %	average condition
Bratislava	146	9,7	1 507
Trnava	34	14,7	231
Nitra	27	9,9	274
Trenčín	29	12,3	236
Žilina	35	11,9	294
Banská Bystrica	69	19,1	362
Poprad	43	15,1	285
Košice	33	12,2	270
TOTAL	416	12,0	3 459

Recruiting new staff

The rules we follow in recruiting and hiring new employees are based on an assessment of the individuals knowledge, skills and personal qualities relevant to the vacant position being filled. We take care to observe the principles of impartiality and avoid favouritism, abuse or discrimination. For job seekers, we have a "Careers" section on our website with an up-to-date overview of job vacancies. Candidates can apply for vacancies and submit their CVs using an online questionnaire.

However, one of the most important sources for filling vacant positions is VUB's own employee base through internal competitions. Vacancies or newly created positions are an opportunity not only for external candidates, whose main contribution is "new wind", i.e. new experience and practice, but also for internal to grasp the chance for further career growth. An employee who successfully passes the selection procedure will undergo a standard adaptation period, which will allow him/her to better cope with the on-boarding process and to learn the new position.

In the previous year, we continued our **Find Your Colleague** activity across Slovakia, which aims to engage internal employees in finding and recommending candidates for vacant positions. All candidates were considered for their suitability for the role. The best of the best went through a standard selection process. After six months and subsequently after a candidate has been in employment for one year, an incentive bonus is paid to the employee.

During 2011, approximately 24,650 people expressed an interest in employment with us, which maintains our position as a strong and sought-after employer on the Slovak market. VUB is among the top companies preferred by students. This is evidenced by the award in the competition announced by the student organization AIESEC - Most Desired Employer (3rd place). In 2011, 488 external candidates were recruited. We filled 333 vacancies from internal sources.

In addition to regular recruitment, we also targeted a group of university students. As part of the "Internship and Work" project, we offered them a unique opportunity to work as interns at VUB and gain a broad insight into the banking industry. In 2011, 40 interns participated in the project.

Performance management and career development

At the Bank, we guarantee equal opportunities in professional development and growth, access to development tools and job positions. We give all employees the opportunity to best express their individuality and creativity at work and encourage innovation. We cover the professional development and growth of our employees with a **Performance and Development Management System** that aims to:

- to create conditions for the individual development of employees and thus enable the development of the bank as a whole,
- Strengthen staff involvement in the Bank's development,
- Ensure that all staff contribute effectively to the achievement of objectives,
- Increase transparency and fairness of the remuneration system.

We enable employees to develop their careers horizontally and vertically while growing within the company. The purpose of the development path is for everyone to receive targeted support in developing the competencies needed to succeed in their work. Adaptive training always starts at the beginning, followed by training according to the type of position, knowledge and skills required to fulfil the role.

An important part of the Performance and Development Management System is the appraisal process. Its main task is to evaluate the employee's objectives for the past period and to plan key tasks and objectives to support the Bank's strategy for the future period. Each year all employees are appraised by their immediate supervisor depending on their job position and classification. The himself plays an important role in the whole process, declaring his ambitions and ideas for his future career. Based on the employee's performance, motivation and potential, the supervisor coordinates the employee's further development and growth.

Following the results of the evaluation and after meeting predefined criteria, employees may be nominated for a programme to stabilise and motivate key employees, the so-called **retention programme**. We continued this programme in 2011, with 340 employees nominated. They were given a limit on the funds they invested in an endowment life insurance policy. As long as the employee works for the full term of the contract, the employer pays out the appreciated amount.

Remuneration

Transparency, fairness (both internally and externally) and motivation are the main principles of the employee remuneration system. The system is set up in such a way that the bank is competitive on the labour market and at the same time attractive for its employees. The Bank monitors and responds to wage and inflation developments in Slovakia so that real incomes correspond to these trends.

The basic tool for setting the remuneration policy is the job catalogue, which defines the job positions in the bank, their job descriptions (brief characteristics), the "size" of each position across the bank measured on the basis of:

- the complexity of the work,
- working with confidential information,
- impact on the company's results,
- core business and support,
- initiatives and control of results,
- knowledge and experience,
- management and autonomy.

The remuneration system consists of a fixed and a variable part. The fixed part reflects the job position, its "size", complexity and performance in the long . The variable component is proportional to the performance of the employee and is also a motivational tool designed to increase the personal commitment of employees to the tasks set and to reward their performance and contribution to the Bank.

Annual overall as well as annual individual performance is evaluated by a remuneration committee composed of the CEO, Deputy CEO for Support, Deputy CEO for Sales, Senior Director of Finance, Planning and Controlling and Senior Director of Human Resources. The Committee also approves the results of annual appraisals, variable pay components, base salary adjustments and nominations for the retention programme.

Benefits

The Bank provides a wide range of benefits (i.e. financial and non-financial benefits) that are the same for all employees regardless of job classification. An important change in 2011 was that the meal allowance was increased and the meal allowance was fully financed by the Bank without any additional payment by the employee. The childbirth allowance and financial assistance to employees in difficult life continued to be provided. The Bank provides a clothing allowance to retail employees with daily contact with customers. We also contribute to supplementary pension savings, with the employee/employer contribution ratio being 1:1. A new feature introduced in 2011 was the regeneration and transport allowance, which replaced the benefit vouchers from previous . Employees can also take advantage of certain discounted products, such as free current account maintenance, discounted rates on term , consumer or mortgage loans at discounted interest rates or discounted insurance rates. We are also looking at an interesting benefit in the form of a pay-as-you-go discount scheme. It provides our employees with the opportunity to enjoy benefits and discounts on various products and services provided by external partners across the country. This year, the children of our employees also received a gift on the occasion of the International Children's Day. In the summer, 28 children of our employees spent two weeks at a children's camp at the Intesa Sanpaolo facility in the Italian seaside town of Follonica. Employees are informed about the company's benefits on the intranet.

Over the past year, we have developed a strategy for a new approach to employee health care and balance. We designed a new benefits structure that came into effect on January 1, 2012. The new benefits structure was developed on the basis of an survey and was subsequently supported by an internal campaign. Almost 1,400 employees expressed their opinion in the survey.

A balanced life and work-life balance are important for everyone. In this context, we have prepared and incorporated a number of innovations regarding employee benefits based on the results of an internal survey. One of the innovations was a three-day event organised at the Bank's premises called "Health Days". Employees received a number of health measurements free of charge and were able to come and exercise at a physiotherapy lecture "Back School".

In 2011, an interesting **My Company** programme was also created, in which we try to recognise active employees who participate in the life of VUB through activities that may not be directly related to their work duties or job description. It is a way for us to express our appreciation and also to showcase activities such as blood donation, counselling high school and students or volunteering in our free time.

Percentage of funds spent on employee benefits in 2011

Form of employee contribution	2011 (%)
Third pillar/supplementary pension savings	24,75
Retention programme	13,53
Time off beyond the law - health care	13,62
Time off beyond the law - single mothers	0,34
sick leave, non-occupational and occupational accidents	4,13
Childcare for staff children	0,77
Clothing allowances	7,64
Regeneration and transport	7,73
Food allowance	21,18
Social contributions in need	0,89
Jubilee rewards	5,24

The Bank supports employees through a number of measures to promote a more effective work-life balance. These measures include flexible working hours (optional start between 7.00 - 9.00 a.m. and end between 4.00 - 7.00 p.m.), four days off per year to take care of health beyond the statutory holiday entitlement. Single employees caring for a child under 15 years of age (up to 26 years of age for disabled children) and pregnant women from the fourth month of pregnancy onwards are allowed to take two extra days of leave per year by the Bank. These days off are paid at the basic salary of the calendar half-year.

Training and development

VUB Bank creates conditions for continuous and systematic growth of employees' qualifications, supports their education in areas that are important for the needs of the bank and their personal development. Specific educational requirements according to individual needs are addressed in cooperation with external educational organisations in the Slovak Republic and abroad in the form of internships or participation in selected

educational activities. Our own training centre, **the VUB Academy**, organises professional courses and courses on corporate and personal development. The Academy prepares professional and skilled employees, supports the continuous development of employees and their careers, motivates and stabilises employees.

Staff training is provided by the VUB Academy and the AMOS e-learning system.

In 2011, the total training time organised by the Bank amounted to 27 545 days, an increase of 16% compared to 2010. The average number of training days was 7.9 days (in 2010 the average was 6.9 days). The e-learning training time amounted to 13 043 days.

In 2011, we continued to develop e-learning and e-testing using our e-learning system **AMOS**. In it, it is possible to browse a catalogue of learning activities and take an initiative approach to your development and career growth. E-courses and e-tests are available at any time and users can retake them multiple times. The app contains courses on current topics, training on individual workflows and freely available tests relevant to the position or product, as well as a variety of training courses.

Number of training days per position	2011	2010	2009
Managers	4 559 days	5 190 days	2 255 days
Other	22 986 days	19 060 days	18 628 days

Since 2007, the bank has traditionally organised a **Welcome Day** for new employees, which is held every month. The aim is to give the new employee a basic overview of the bank he or she is starting to work for. They will learn about the history of the Bank and the Intesa Sanpaolo Group, its position, its portfolio of products and services, the structure of the company, as well as the rights, obligations and benefits of employees.

Another program we are trying to develop our own professionals is the **Mentoring Program**. Mentors are employees in senior positions who pass on practical experience to younger colleagues, mostly new hires or employees returning from maternity or parental leave. A mentor makes it easier for an employee to adapt to the . In , we set up and tested several changes in mentoring, which will be implemented across the entire branch network from January 2012.

Within the **ZAPNi** programme, we give employees the opportunity to find innovative solutions with the intention of improving the satisfaction of clients or employees themselves. In 2011, employees made 212 suggestions for improvement, 26 of which are being implemented. Since the launch of the programme, 64 suggestions have been put into practice.

Within the framework of **special financial education**, in cooperation with the Slovak Banking Association, compulsory legislative education was provided for individual positions in the form of e-learning courses. By the end of 2011, our employees were trained in the basic level of professional competence in the sections of deposit-taking, capital markets and lending. The intermediate level of professional competence was training focused on the insurance and reinsurance sector, where 1 846 employees passed the compulsory examination.

Employee survey

In 2011, a regular employee survey was conducted, coordinated from the parent bank's headquarters, to gauge the climate and satisfaction among employees across the Intesa Sanpaolo Group. For VUB, 2 255 employees participated in the survey, representing a 56% participation rate. The electronic questionnaire allowed employees to anonymously express their views in five areas. The results of the survey showed that overall satisfaction was 82.2%, which is better than the country average within the Intesa Sanpaolo Group and confirms the result of the previous survey.

From the input from the employee survey and subsequent focus groups, two areas of improvement were proposed, agreed as priorities by the Bank's management and included in the action plan.

his plan. First and foremost, it is about increasing employee involvement in decision-making by supervisors. We will continue to address this topic in the coming year in the context of management skills development. The second priority is to promote work-life balance. With this theme in mind, we have made a number of changes to employee benefits and also to the recommendations for managers. A further employee satisfaction survey was conducted at the end of 2011. The results will be evaluated in the first quarter of 2012 and implemented.

Diversity and equal opportunities

VUB is committed not to, to observe the principles of equal treatment, to exclude any discrimination from its actions and to respect differences based on gender, age, race, religion, political opinion, trade union activity, linguistic abilities, disability, marital and family status, language, political or other opinion, national or social origin, property or other status. By signing *the Collective Agreement*, it has also undertaken to respect the prohibition of discrimination in accordance with the Labour Code. Employees must not be disadvantaged because they exercise their rights arising from the employment relationship. In 2011, no discrimination cases were filed. The Bank provides everyone with equal opportunities for personal and professional growth and gives every employee the same opportunity to assert himself or herself. Discrimination is not considered to be differentiation between employees on the basis of their job qualifications and performance.

The majority of our employees are women - at the end of 2011, 2,606 of the total 3 520 employees. This disproportion in favour of women arises mainly in the branches of the retail business network, where women predominantly work. There are 2 women on the bank's board of directors, 2 women on the supervisory board row 1. Also in 2011 we employed citizens with , in total.

The indicator on violations of indigenous peoples' rights is not relevant given the geo-graphical location of our business.

VUB Women Satisfaction Survey

To have both success at work and a happy family background. This was the motto of a new survey dedicated to all women working in the bank. It was dedicated to the working conditions of women at VUB, with a focus on work-life balance. Almost half of the more than 2,600 female colleagues surveyed took part in the survey. The questionnaire survey was complemented by face-to-face meetings in several regions of Slovakia (Bratislava, Banská Bystrica, Žilina, Košice). The survey was equally attended by women working at the head office and in branches in different regions of Slovakia and in different positions - managerial and non-managerial. Thus, the research sample comprehensively represented the female employees of VUB. The topics of the survey focused on opinions on the status of women, personal experiences with gender equality/inequality, workplace satisfaction, stress levels, work-life balance, workplace status - career advancement, and experiences after returning from maternity leave.

The survey was conducted anonymously by a renowned sociological institute. The results served as important feedback for gradually bringing women's current working conditions closer to their expectations. The survey showed that VUB Bank is a place where the more critical points of gender inequality do not appear, and thus we can say that the overall situation is good or better compared to the perception of these topics in Slovakia in general. Despite this, the Bank has developed a series of measures to progressively address those parts that have been identified as problematic. The measures will come into force during 2012. Some findings from the survey: female respondents expressed relatively low satisfaction with the opportunities to reconcile personal and professional life. While 59% of women say they manage to balance work and private life, other responses that this can be to the detriment of private life. Work-family balance is harder to manage for women outside Bratislava, those working in branch offices and women with children. The most frequently cited sources of stress were too much busy work and difficulty balancing work and personal responsibilities. For example, they would appreciate flexible working as the biggest help in coping with work and personal family life. Women also report that they have not had a bad experience of career progression; almost two thirds of women said they had not applied for a management position in a bank, 28% had applied and been successful (today's managers), 9% said they had applied but had not been successful. Gender differences were not found in terms of training either.

Occupational health protection

The Bank is obliged to create a working environment and conditions in accordance with Slovak technical standards and hygiene regulations. Occupational health and safety topics are covered in internal regulations and the Collective Agreement. The rights of all employees in this respect are also represented by trade representatives. Pursuant to Section 20 of Act . 124/2006 Coll. on Occupational Safety and Health at Work (OSH), the Bank appoints a Chief Occupational Safety Committee. It consists of seven members: 4 employee representatives (trade unionists) and 3 employer representatives. In addition to the main committee, regional OSH committees are appointed for each region and carry out regular annual pre-ventive inspections. The regional commission is of at least five members: a representative of the employees, two representatives of the employer (the regional asset management technician and the branch director), an OSH technician and a representative of the occupational health service. The total number of OSH committee members is 294, so the percentage of the total workforce represented in the formal joint OSH committees is in the category of up to 25 per cent of the total workforce.

Types of training, risk prevention and control

Each new employee upon joining the company undergoes initial training of employees in accordance with Act No. 124/2006 Coll. on Occupational Health and Safety and on Amendments and Supplements to Certain Acts. Periodic OSH training in accordance with the above-mentioned legislation and the Bank's internal regulations shall be completed by all employees of the Bank every two years in electronic form. The Bank also provides training for employee safety representatives (trade unionists) and a first aid course. OSH activities (annual OSH inspections, provision of personal protective equipment, training, investigation of accidents at work, measures to improve the working environment, updating of internal regulations) are submitted semi-annually at the time of the evaluation of the Collective Bargaining Agreement. The training and advice concerning employees is provided by OHS technicians from an external company.

As part of risk prevention and control, an initial audit is carried out by *the Occupational Health Service* (OHS) at the opening of a new branch and later on regular annual OHS inspections with the participation of the OHS. The health service, training, workplace supervision and preventive medical examinations in relation to the type of work carried out are provided by an external 's OH&S. The Bank shall ensure safe and healthy working conditions in areas where cash is handled and in areas where work of a technological is carried out. If an employee uses a company car, he she shall be required to undergo a driving test every 2 years, and the Bank shall also provide medical examinations.

The nature of our company's business raises the possibility that employees could be exposed to a life-threatening situation, e.g. a branch being raided. In these rare cases, they are provided with professional psychological assistance and are entitled to 5 working days off work to recover.

In spite of the measures described above, which were carried out in the framework of training on occupational safety, prevention and risk control, we recorded 6 work accidents in 2011 and 185 missed working days in connection with them. We did not record any occupational diseases in that year.

Number of injuries, number of days lost and days missed as a result of the impact of work

region	number of accidents in 2011	number of working days missed	number of calendar days
Bratislava	1	22	30
Trnava	1	11	16
Trenčín	1	43	61
Nitra	1	7	9
Žilina	1	10	13
Banská Bystrica	0	0	0
Prešov	1	92	130
Košice	0	0	0
total 2011	6	185	259
total year 2010	8	350	490

Freedom of association and collective bargaining

Freedom of association and collective bargaining is exercised in accordance with the Labour Code, the Collective Bargaining Act and the Law on the Right of Association. The collective agreement shall regulate individual and collective relations between the employer and the employees which are more favourable than those provided for in the Labour Code or other generally binding . The Bank is thus committed to ensuring that trade union rights are preserved, in particular the right to free unionisation and collective bargaining in accordance with generally binding . The collective agreement is concluded for a period of 3 years between VUB, a.s. and the Council of Trade Union Representatives of VUB, a.s. It applies to all employees in an employment relationship with the employer, regardless of their membership in a trade union. The provisions of the Collective Agreement are superior to the Bank's internal regulations to the extent of the obligations entered into in the Collective Agreement. As at 31 December 2011, 16.7% of employees were members of a trade union.

Notification obligation

The Labour Code imposes an information obligation on the employer towards the employee representatives in to the economic and financial situation and the anticipated development of the business. Information is defined as 'in a reasonable manner and at an appropriate time'. Under the Labour Code, the employer is obliged to discuss with the employees' representatives in advance fundamental changes concerning, inter alia, the status, structure and expected development of employment, decisions which may lead to fundamental changes in the organisation of work, as well as organisational changes. The provision of further information, including specific deadlines, is agreed in the Collective Agreement in accordance with the wording of the Labour Code.

Internal communication and dialogue

At the bank, we understand that if we expect our employees to perform at their best, we need to regularly update them on what is happening, why and where the company is going, and where each of them fits into this fulfilment. At the same time, we give them the space to express their own opinions and ideas and involve them in decision-making processes. Internal communication is based on the seven values common to the entire Intesa Sanpaolo Group and helps in fulfilling our vision and mission.

In 2011, we continued to continuously improve the quality of cooperation between employees and different departments. Also, building on the results of the employee survey conducted back in 2010, we focused on work-life balance issues.

Last year was a specific year for VUB in terms of history. The bank celebrated its tenth anniversary within the Intesa Sanpaolo Group. This milestone also modified the nature of the activities towards the employees and the theme of the anniversary

also resonated in internal communication. Appreciation of the cooperation and thanks to the employees also came from the Ma- ter Bank and were presented within the VUB Group through specially prepared videos. Employees had the opportunity to discuss this topic on a special portal and also had the opportunity to participate in a competition for attractive prizes. Overall, the aim was to reinforce awareness of belonging to a strong international group and the importance of the people who make up the bank. It was a time to remind ourselves of the Group's direction, strategy and priorities in a changing socio-economic environment.

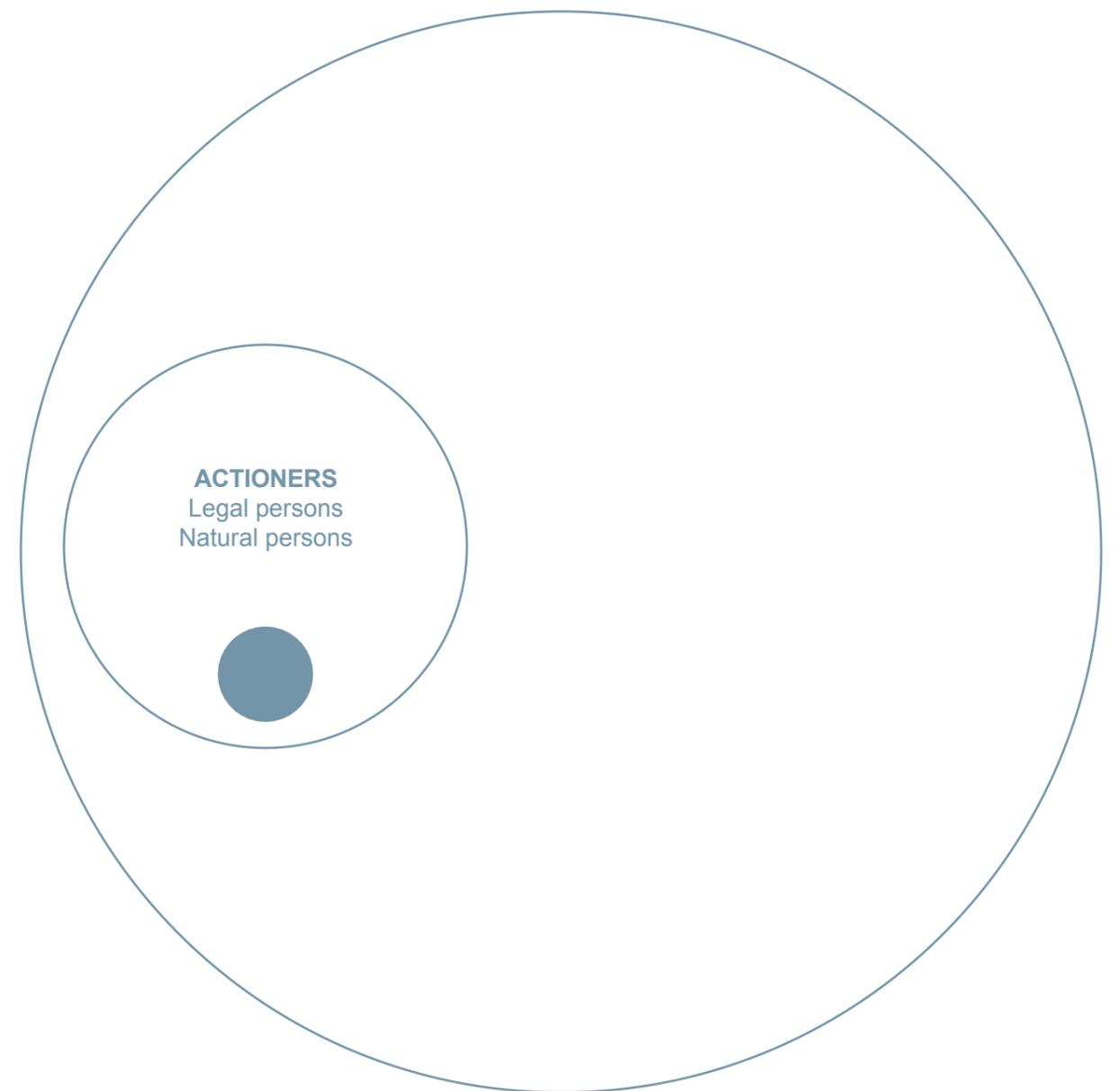
In 2011, the company intranet was also built as a key and most effective tool for internal communication, with the employees themselves being even more involved in the content creation. Every piece of information on the intranet has its own owner, so employees know who to contact at any time if they need to. In total, approximately 5% of all VUB Group employees from the various departments take care of the content. In 2011, we provided more than 170 news items on the latest developments in the VUB Group or the international Intesa Sanpaolo Group. The periodicity of the internal magazine **SVET** remained on a bimonthly basis in 2011. Both its design and its content followed the uniform concept of the Intesa Sanpaolo Group, thus providing employees with regular information from the international level. The magazine continued to be distributed in a circulation of 4,000 copies to all VUB Group employees, including subsidiaries. Key events are regularly reported on by the CEO through the electronic bimonthly **CEO Newsletter** and topics in the field of human resources and benefits management are covered in the **HR Newsletter** four times a year. With well-set internal communication, it is all about understanding the message. Dialogue and two-way communication is needed in a company if people are to understand what, why and how things are done in the company. Employees therefore always have the opportunity to ask questions of the CEO via the intranet form, to comment on topics important to the bank and to the employee, e.g. the benefits system, the form and content of the intranet and the internal magazine. All these open forums take place on the intranet in a special section. We carry out evaluations and surveys of internal communication channels on an annual basis.

Active involvement of employees in the life of the bank

Internal campaigns as a unique and original way of communicating to employees continued to be prepared in 2011 in order to motivate employees to actively engage and interact with each topic. We value people's proactivity and in 2011 we launched the **My Company** programme with an internal campaign. We launch campaigns inside VUB on a monthly basis, each time with a new theme, relevant for the period. The face of the campaign is always one of the employees involved in the topic. He or she becomes the carrier of information that gets closer to others. We use all channels of internal communication to promote brand , values and, of course, business, including posters, intranets, magazines, personal emails and, for example, screensavers on computers.

The **VUB CUP** sport-nomination event was aimed at promoting team spirit and informal relations. The best employees from the event went on to represent VUB at international sports tournaments organised by the parent bank. At the end of the year, we held the traditional Christmas meetings, which were supplemented by the announcement of the most active employees in the **My Company** programme. They were organised in three cities, with transport arranged so that all employees could attend. To promote business goals, motivation and competitiveness, the **VUB Superliga** employee competition continued in 2011.

Shareholders



Share capital and shares of VUB, a.s.

The share capital of EUR 430 819 053,81 is divided into

- 4 078 108 registered shares issued in book-entry form with a nominal value of EUR 33.20 per event and
- 89 registered shares issued in book-entry form with a nominal value of EUR 3,319,391.89 per event.

VUB, a.s., has its entire share capital paid up. Its shares are traded on the **public capital market** organized by the Bratislava Stock Exchange, a. s., under the share number - ISIN - SK 111 000 1437, in the total number of 4 078 108 units. Information on these shares is provided by the Stock Exchange on its website in the **Securities/Markets, List of Securities, Listed Market and Issue Detail** section of **VÚB, a.s.** VÚB Bank also issued 89 shares, which are not publicly traded.

Information on shares of VUB, a.s., traded on the public capital market

Security name	Shares of Všeobecná úverová banka, a.s.
Form of the security	book-entry share*
Form of security	registered share
Issuer of the security	Všeobecná úverová banka, a.s.
Country of issue action	Slovak Republic
Number of shares issued	4 078 108 pcs
Nominal value	33,20 euro
Location of the share issue	Stock Exchange in Bratislava, a. s.
Capital market	Main listed stock market
Currency trading	Euro (€)
Numbering of shares	ISIN SK 111 000 1437
Abbreviation of the name of the security	1VUB02A
Stock index	SAX

Remark:

* A book-entry share represents an electronic entry in the records of the Central Securities Depository of the Slovak Republic, a. s.

VUB, a.s. has a large number of minority shareholders from the first wave of coupon privatisation in . The number of shareholders has declined from the original 80 000 shareholders to the current more than 43 000 shareholders. The largest is the Italian banking group Intesa Sanpaolo, which became the owner of VUB, a.s., in 2001. The shareholder structure is detailed in the *Profile and Governance* .section

Dialogue with shareholders

VUB Bank's priority is effective communication with all shareholders and ensuring their proper information. The Bank's Secretariat department ensures a continuous dialogue with shareholders and the Corporate Strategy and Economic Analysis department is responsible for communication with rating agencies and analysts. Dialogue takes several forms, both formal and informal, in both Slovak and English, in writing, by telephone and through face-to-face meetings. The main medium is the website www.vub.sk, where the necessary information, guidelines and forms are published in the *statist* section under the heading "Information for shareholders". There are also practical legal procedures for transactions most frequently requested by shareholders, in particular:

- The method and place of payment of the dividend,
- Change of address or name of a shareholder - to whom and how to report,
- Inheritance of shares - legal steps and dividend entitlement,
- Donation of shares - legal steps,
- Power of attorney for the payment of dividend on shares and for the transfer of the right to dividend,
- Proxy to attend the General Meeting,
- Requirements for documents certified ,
- Participation of shareholders at the general meeting - rights and requirements,
- The full text of the documents and draft resolutions to be discussed at the General Meeting,
- Results of the General Assembly votes.

In addition to the above procedures, the website also provides the following useful information for shareholders:

- Decisions on dividend payments for individual years,
- Information on their taxation,
- Development of the share price of VUB, a.s.,
- Information on the distribution of the bank's share capital and shares of VUB, a.s.,
- Information on shareholder structure,
- Information about the main shareholder,
- List of members of the Board of Directors and the Supervisory Board,
- Press and analytical reports,
- Financial statements and important background information on the Bank's activities,
- Information on VUB Bank's market position and its assessment,
- Market shares,
- Rating,
- The Bank's vision and mission and awards,
- Extract of data on VUB Bank from the Commercial Register of the Slovak Republic and
- Annual Reports.

Overview of dividend payments on VUB, a.s. shares

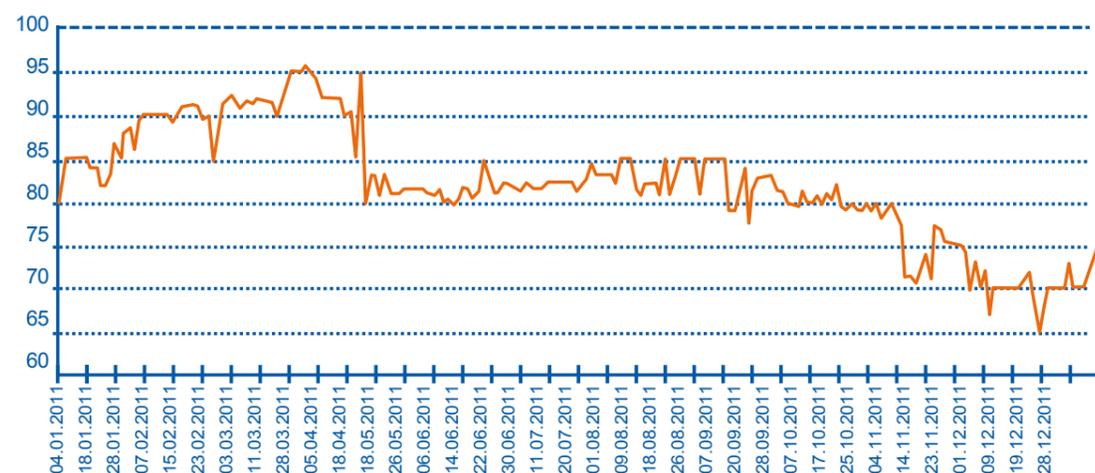
Dividend for the year	Dividend amount per share VUB, a.s.	Dividend due date
2010	4,60 euro	1 June 2011
2009	4,50 euro	4 June 2010
2008	0,00 euro	-
2007	4,48 euro	2 June 2008
2006	7,20 euro	4 June 2007

Remark:

The dividend payment date is the date of commencement of dividend payment, which has been determined by a resolution of the General Meeting.

VUB, a.s. share price

Information on the current price of VUB, a.s. shares on the public capital market is regularly published in the national daily press publishing stock exchange news, e.g. *Pravda*, *Hospodárske noviny* or on the website of the Bratislava Stock Exchange (www.bsse.sk). VUB's share is a part of the Slovak SAX stock index and significantly influences its development.

Development of the average VUB share price in EUR

Source.

Shareholders' rights and obligations

The rights and obligations of a shareholder are set out in the relevant legislation and the Articles of Association of VUB, a.s. All shares carry with them the shareholder's right to participate in the management of VUB, a.s. and the right to a share in its profits. The shareholder's right to participate in the management may be exercised at the General Meeting. The distribution of profits to shareholders in the form of dividends is decided by the General Meeting. Shares are freely transferable either by registering the transfer with the Central Securities Depository of the Slovak Republic or by registering the transfer with a member of the Central Securities Depository on the basis of an order to register the transfer or transfer of shares.

The General Meeting is the supreme decision-making body of the Bank, representing all shareholders, and its decisions, approved in accordance with applicable law and the Bank's Articles of Association, are binding on all shareholders. The following major decisions fall within its competence:

- a decision to amend the statutes,
- the decision to increase and decrease the share capital and the decision to authorise the Board of Directors to increase the share capital,
- a decision to issue senior bonds or convertible bonds,
- a decision to change the rights attached to any type of VUB, a.s. shares and to limit the transferability of VUB, a.s. shares,
- election and dismissal of members of the Supervisory Board, with the exception of members of the Supervisory Board elected and dismissed by the employees of VUB, a.s.,
- approval of the ordinary and/or extraordinary individual and/or consolidated financial statements, the decision on the distribution of profits or the payment of losses and the determination of royalties,
- a decision on the distribution of retained earnings from previous years and/or the reimbursement of unreimbursed losses from previous years,
- a decision on the use of the reserve fund,
- a decision on the amount, method and place of payment of dividends and the determination of the record date for determining the persons entitled to exercise the right to dividends.

Prior to the General Meeting, VUB Bank sends an invitation to all shareholders with the agenda of the General Meeting with annexes and basic information that will be discussed at the meeting. Additional information is available for inspection at the bank's registered office or sent to the

Request. The invitation letter and background documents are also published on the Bank's website and in periodicals with a national coverage publishing stock exchange news. Instructions on the shareholder's rights pursuant to Sections 180(1) and 181(1) of Act No. 513/1991 Coll., Commercial Code, as amended, and documents and data pursuant to Sections 184a(1) and (2) of the Commercial Code are published at least thirty days prior to the General Meeting on VUB Bank's website in the "Information for Shareholders" section. Members of the Bank's Supervisory Board and Management Board regularly attend General Meetings, where they contribute to their smooth conduct and also answer questions and suggestions from shareholders. VUB Bank accepts all its legal obligations towards shareholders. It complies with the provisions of the Commercial Code relating to the protection of shareholders' rights, in particular the provisions on the timely provision of all relevant information about the company and the provisions on the convening and conduct of annual general meetings. The Bank complies with the principle of equal access to information for all shareholders as defined in the Code.

Shareholder protection initiatives in 2011

Project 262 has been running at VUB since 2007. Its objective is to comply with the requirements of Italian Law 262, inspired by the US Sarbanes Oxley Act. Law 262 was enacted to ensure a significant strengthening of investment protection. Its measures cover a broad area and focus on various activities, such as corporate governance, accounting audit rules, financial instruments rules, conflicts of interest, transparency and market regulation. This law is part of a legal scenario aimed at consistently strengthening governance. The objective of Project 262 at VUB is to review the internal control system, identify weaknesses and, on the basis of these weaknesses, modify the internal control system to eliminate potential risk and ensure a true and fair view of the financial situation.

Act 262 requires individual companies to identify the processes that affect financial information, assess the relevant risk associated with those processes, and, on that basis, design adequate internal controls to eliminate the potential risk. The basis of the project is to identify and respond promptly to any internal control system that is not functioning properly. This will ensure that the quality of financial reporting is enhanced through business ethics, effective internal controls and good corporate governance. Under Act 262, responsibility for the content of financial reports, the accounting procedures used, the adequacy of the control system and the fair presentation of assets, liabilities, costs, income and cash flows has been assigned to the CEO. The CEO and the CFO sign a declaration confirming the adequate and effective application of the accounting and financial reporting procedures. The benefit of the entire project is to provide assurance to shareholders of the true and fair view of the capital, economic and financial position of the VUB Group and the adequacy and effectiveness of the internal control system and procedures.

Suppliers



Strategy

Suppliers are one of the groups of VUB Bank's partners that are significantly affected by responsible business conduct and the resulting compliance with the Code of Ethics. VUB Bank requires its suppliers to comply with the principles it believes in and which are part of its business.

VUB Bank is aware that good business results are beneficial for all stakeholder groups, among which the suppliers play an important role. VUB is one of the largest Slovak companies and as such has a wide network of suppliers. By purchasing goods and services, it indirectly generates benefits for the company in the form of employment and financial results of its suppliers.

One of VUB Bank's commitments to its suppliers is *responsible social and environmental practices*.

The attributes that most aptly characterise VUB Bank's responsible approach to suppliers are **transparency, equality of opportunity** and **efficiency**, both in the selection of suppliers and in the process of defining internal supplier processes. An efficient way of spending on the goods and services that VUB Bank needs for its operations is one of the basic prerequisites for success in a competitive market. The total amount of such costs directly affects the bank's profit.

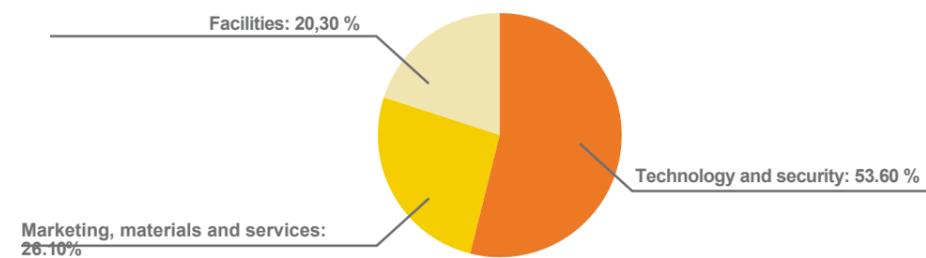
Suppliers in numbers

In 2011, VUB Bank purchased goods and services with a total value of approximately EUR 92.76 million. The total number of suppliers amounted to 1,314, of which almost 90.5% were located in the Slovak Republic.

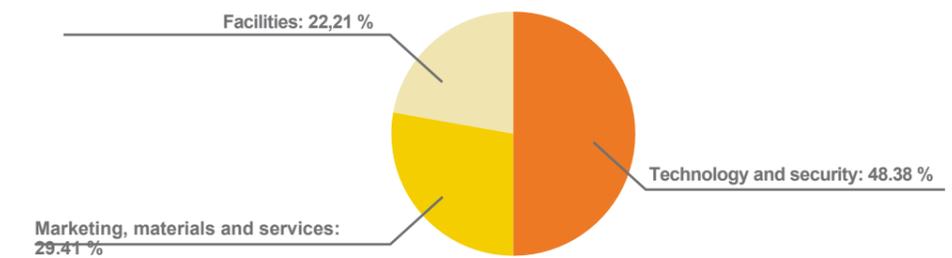
Overview of the development of purchasing volume and number of suppliers

Year	Goods and services procured	Number of suppliers
2011	EUR 92,76 million	1 314
2010	EUR 93,44 million	1 279
2009	EUR 92,12 million	1 362

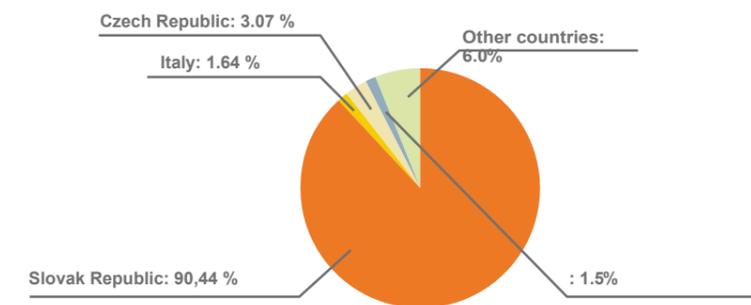
Share of purchases of goods and services by purchasing area in 2011



Share of purchases of goods and services by purchasing area in 2010



Provenance of suppliers



Transparent selection of suppliers

VUB Bank's suppliers are significantly affected by compliance with the Code of Ethics. Values such as *fair-play* and *transparency* are upheld in relation to suppliers. In order to create and build an open partnership, the Bank strives to cooperate principally with those suppliers who respect these values.

Procurement at VUB Bank is open to a wide range of suppliers. VUB Bank gives a chance to all those who are not yet its business partners and have the ambition to cooperate with VUB Bank in the future, for existing partners it is also a challenge to continuously improve the quality of their products and services in order to be a valuable partner of VUB Bank in the future.



VUB Bank expects from its partners a flexible, proactive and responsive approach and high efficiency. We are interested in developing long-term business relationships based on open pricing in order to achieve maximum advantageous supply terms.

Application of the electronic auction system

VUB Bank uses the **Access Point electronic auction** system (<http://accesspoint.vub.sk>) to the maximum extent possible for the selection of suppliers. This system allows suppliers to submit quotations electronically at the same time and in one place.

Thus, all companies that meet the predefined conditions can participate in electronic auctions and VUB Bank thus speeds up and streamlines the procurement process in a transparent manner, as well as the fair negotiation of the price. The electronic auction is one of the possible forms of negotiation that can be used in the procurement of to-

We also use the Access Point electronic auction system to select suppliers.

warnings and services ensures equality of opportunity and fair play in the supplier selection process. Of the total number of tenders in 2011, VUB Bank conducted approximately 20% of price negotiations through the use of e-auctions. This percentage corresponds to the fact that this form of selection cannot be applied for all purchases.

Legislative regulation of the procurement process in the Slovak Republic and its impact on VUB Bank's activities

The selection of suppliers in VUB Bank in the Slovak Republic is not subject to the Public Procurement Act. During 2011, no fines were imposed on VUB Bank for non-compliance with any laws and regulations relating to the procurement and purchase of goods and services.

Under the Employment Services Act, every employer in the Slovak Republic who employs more than 20 employees is obliged to employ citizens with . The second option is the use of substitute performance and the award or withdrawal of products and services.

payments from a sheltered workshop that employs people with disabilities, from a citizen with a severe disability or from an employer whose employees are citizens with severe . In view of the above-mentioned legal obligations, VUB Bank awards some of its contracts to so-called sheltered workshops, despite the fact that the prices provided by sheltered workshops are often higher and the delivery times longer than those of regular suppliers. For more information, see the [Community](#) chapter.



Environmental management of suppliers

Materials

VUB Bank manages the use and consumption of office paper, the consumption of toner for and printers, and the collection and disposal of their used packaging. In the area of facility management, it cooperates with companies that are ISO 14001-certified (this system helps companies to participate successfully in domestic and international competitions, but also ensures the growth of the company's value and cost-effectiveness, well as the growth of customer confidence).

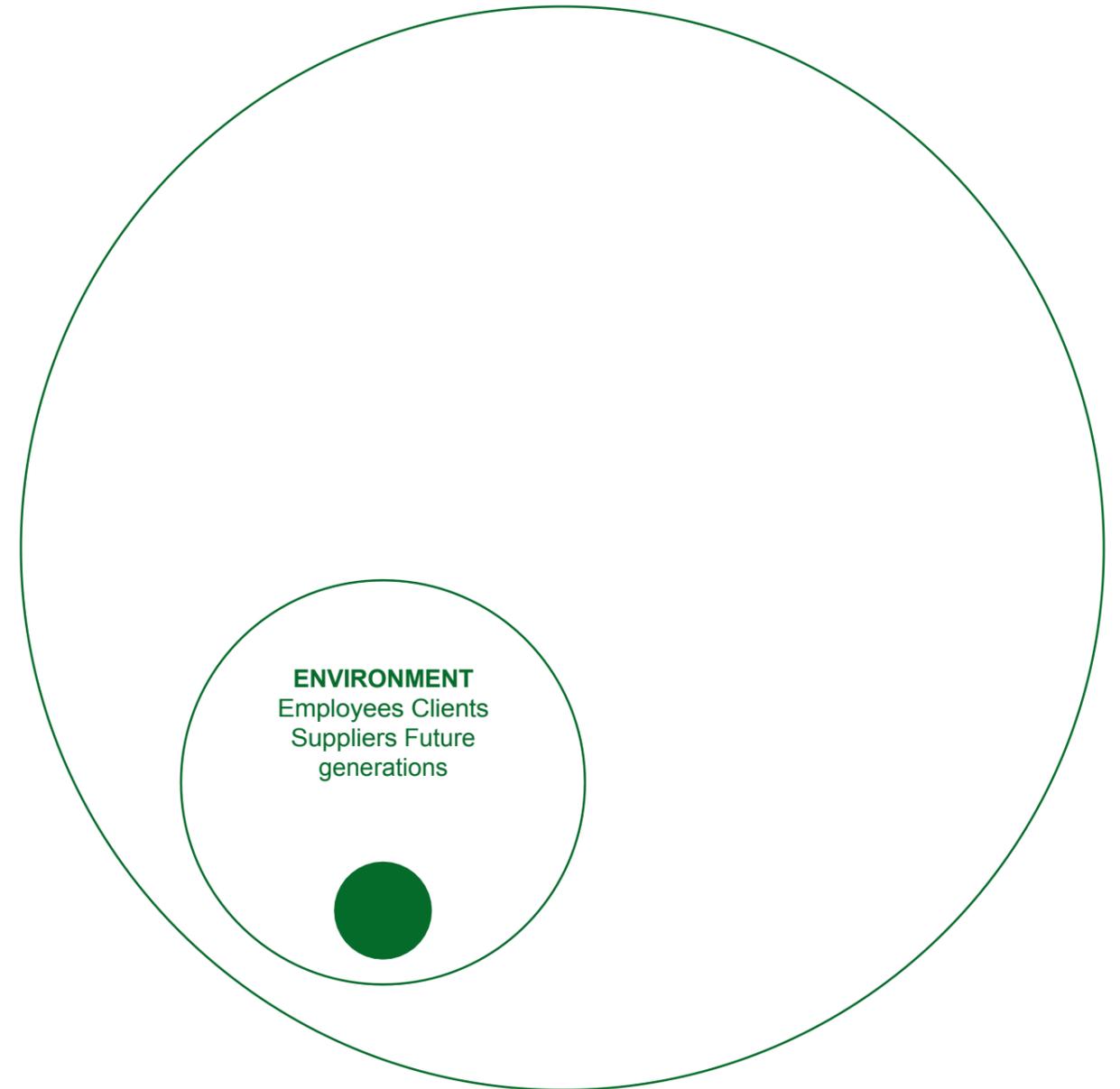
Purchases of office paper shall be limited to chlorine-free paper (TCF/ECF) and recycled paper. Bulk correspondence sent to the Bank's customers is exclusively in recycled envelopes.

In the area of Building Management and Maintenance, VUB Bank cooperates with companies that take a systematic approach to environmental protection in all aspects of their business. In the area of , reconstruction and other construction work, VUB Bank cooperates with construction companies that integrate environmental care into their business strategy and day-to-day operations. The same also applies to lighting and interior design suppliers, whose activities, in addition to the production and provision of services, are oriented towards savings, waste minimisation and minimising environmental charges and fines for pollution.

Since VUB Bank is not a manufacturing company and its activities do not result in products for it would be necessary to purchase input materials, the report does not deal in detail with used materials or used recycled input materials. For more information, see the [Environment](#) chapter.



Environment



Strategy

VUB Bank is neither a manufacturing company nor a direct polluter of the environment, and therefore the environmental impacts of our business are not significant. However, we are committed to reducing our negative impact on the environment as much as possible. We look for solutions beyond legislation, we are interested in our environmental performance in relation to inputs and outputs, and we map relevant environmental indicators.

Measures to reduce the direct (from our activities) and indirect (from clients and suppliers) environmental impact are embedded in **VUB Group's Environmental Policy**. As part of an international banking group, we are guided by Equator Principles and the **UN Global Compact**. We have well-defined internal rules, and our investment and lending decisions also take into account the social and environmental risks. We also strive to influence our environmental impact through practices in the selection of suppliers. We give preference to those who respect the environment and take the necessary measures to minimise the negative impacts of their activities.



VUB Bank's main initiatives and investments in the area of environmental protection in 2011 were based on the current environmental policy aimed at:

- support for energy saving and renewable energy projects,
- cost-saving measures to reduce energy and consumption,
- waste separation and measures to reduce waste production.

Environmental policy

This document defines VUB's objectives in the area of environmental protection and sustainable development. The Environmental Policy is a written commitment to environmental protection that sets out the Bank's mission and objectives for environmental management. It underpins both management and business strategy. It defines principles and guidelines regarding direct and indirect environmental impact. It enables the communication of intentions and objectives to employees and other partners.

UN Global Compact

VUB Bank is committed to acting in accordance with the *UN Global Compact* an international standard to which it signed up in 2009. It also includes principles aimed at environmental protection.

Equator Principles

We take a responsible approach to project financing. As a manager of a large amount of funds, we have a significant influence on capital flows. It is therefore important to us that the projects we choose to finance do not have a negative impact on the environment in which we live. Our commitment to society is confirmed by our adherence to *the Equator*.

Education and awareness

VUB Bank does not limit itself to reducing the negative environmental impact of its business, but also promotes ecological thinking and behaviour of its employees. All employees are encouraged throughout the year through awareness-raising (internal advertising campaigns) and internal announcements to:

- saving paper and ,
- shutting down PCs after working hours and on days off,
- waste separation,
- Energy efficiency - with a focus on cooling equipment in summer.

Advertising and information stickers have been installed in all the interiors of the headquarters building to highlight and spread awareness on saving light and energy.

Managerial approach

Our management system defines the rules and processes related to the implementation of the environmental policy. As mentioned above, VUB Bank is not a direct polluter of the environment, therefore our impact can be divided into

Indirect:

- we comply with international and national protocols on protection,
- we support projects with high environmental value (loans),
- Environmental standards and the *Equator Principles* are clearly embedded in the lending system. As a matter of principle, VUB Bank does not provide financial resources to finance activities that could endanger the environment;

Direct:

- energy saving measures,
- implementation and compliance with internal rules and notices, e.g.
 - economical use of electricity in offices,
 - air conditioning (principles of its use),
 - cooling and heating (adjusting the interior temperatures in the cold and warm seasons),
 - shutting down computers at night and on weekends.

Our environmental management includes:

- Building Management and Procurement departments,
- specialists and staff of the Internal Services Department,
- external suppliers of products and services,
- the Risk Management Unit (controls project financing and),
- regular inspections and checks in both branch and head office buildings to reduce energy consumption and look for possible savings,
- internal rules and notices,
- internal communication - employee awareness.

In 2011, we focused on the following direct environmental protection activities:

- waste separation,
- collection and disposal of waste classified as hazardous (toners, fluorescent lamps) in cooperation with an external service provider,
- use of e-mail and e-banking to reduce consumption,
- using recycled paper envelopes for all mailings to our clients,
- energy saving - friendly technical solutions,
- employee education - lectures, e-mails, articles in the internal magazine,
- maintenance of greenery in the vicinity of the branches and in their interiors,
- collection and environmentally friendly disposal of non-working mobile phones, accessories and batteries.

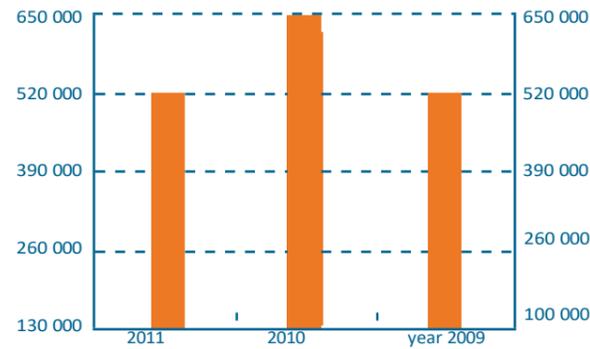
Environmental management indicators

Number of staff with a job description implementing environmental policy	1
Number of internal specialists	0
Number of external specialists	2
Percentage of employees informed about the implementation of environmental policy	100

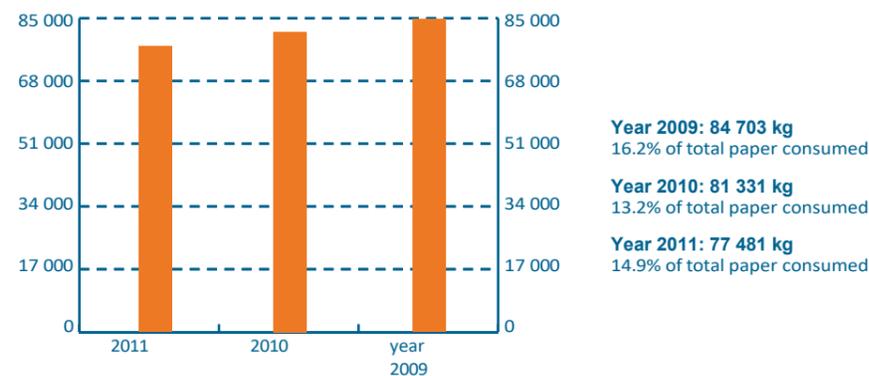
Materials

Environmental aspects include office paper consumption, toner consumption copiers and printers, collection and disposal of used packaging, as well as cooperation in the area of facility management with companies that are ISO 14001 certified. The purchase of office paper is limited to chlorine-free paper (TCF) and recycled paper.

Paper consumption (kg)



Consumption of recycled paper in kg and its percentage of the total amount of paper consumed



In addition, the following measures/commitments have been made for the next period in the interest of VUB Bank's green approach:

- reduce overall paper consumption,
- Reduce the consumption of "uncertified paper",
- use environmentally certified paper,
- Prioritise the purchase and consumption of paper:
 - from certified producers with a origin label,
 - Recycled paper - use 100% recycled paper as much as possible,
 - bleached paper - use ECT - TCF (carbon tetrachloride) type paper.

Recycled paper is used for the envelopes in which we send account statements to our clients. Since 2010, a project to send electronic statements has been re-alyed, which has resulted in a reduced consumption of recycled paper.

As VUB Bank is not a manufacturing company and its activities do not result in products for which it would be to purchase input materials, the report does not deal in detail with used materials or used recycled input materials.

Energy

Direct energy consumption

VUB Bank is constantly striving to reduce energy consumption. As in the previous period, in 2011 we also placed emphasis on the purchase of efficient cooling and heating equipment, on economical heating and cooling of our premises and on the selection of the most economical possible lighting sources for our premises.

VUB Bank requires two primary sources of energy for its operation - electricity and gas. In 2011, electricity consumption decreased by 4.1% and gas consumption by 12.1% compared to 2010. This decrease is the result of constant efforts to encourage employees to use resources efficiently, purchases of highly efficient equipment and, last but not least, continuous supervision and regulation of the technology used. These figures do not take into account the impact of the weather.

Direct energy consumption

:	
■ Electricity	16 786 396 kWh
■ Gas	1 138 475 m ³ = 10 701 670 kWh
Total	27 488 066 kWh

:	
■ Electricity	17 500 480 kWh
■ Gas	1 295 968 m ³ = 12 182 099 kWh
Total	29 682 579 kWh

:	
■ Electricity	17 997 537 kWh
■ Gas	1 372 193 m ³ = 12 898 614 kWh
Total	30 896 151 kWh

Note: 1) 1 m³= 9.4 kWh

(2) the data have been obtained from the contractor's readings

The electricity suppliers are the largest local suppliers (ZSE, VSE and SSE), which guarantee that at least 15% of the energy they supply is produced from renewable sources. In accordance with the relevant provisions of Act No 656/2004, suppliers in the Slovak Republic must inform their

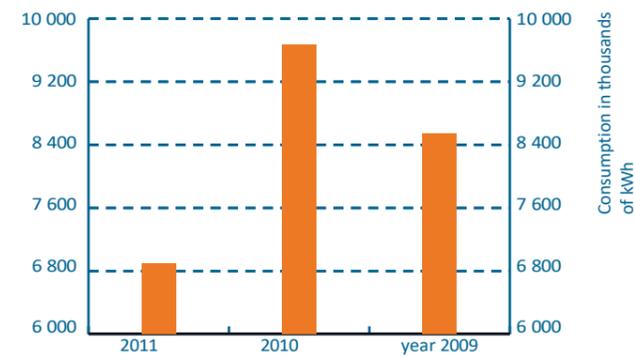
customers on the share of each type of primary energy source in the energy produced and supplied, including the supply of electricity produced in other EU Member States and in third . In , the share of primary energy sources in the generation of electricity supplied by our suppliers was as follows:

■ Renewable (hydro, wind)	14 %
■ Gas	11 %
■ Coal	22 %
■ Core	53 %

The gas is purchased from a local supplier, which is the *Slovak Gas Industry*.

Indirect energy consumption

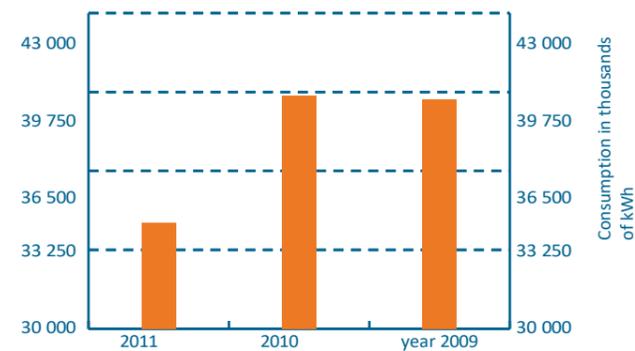
Purchased secondary energy (thermal energy in the form of heat) in kWh



The heat is supplied by various larger and smaller local producers of thermal energy, therefore it is not possible to indicate the primary energy source. Compared to 2010, heat consumption has decreased by 28.6%, with the nature of the weather contributing significantly to the savings.

Total energy consumption

Total energy consumption (heat + electricity + gas) in kWh



Total energy consumption decreased by 13.2% compared to 2010. The figure does not take into account the impact of weather.

The data is drawn from the *chastia* app, it is not billing data.

Cost-saving measures

The cost-saving measures are actually VUB Bank's investments in environmental protection and modernisation of operations. The bulk of them were related to insulation and heat leakage barriers, reconstruction of lighting systems and modernisation of boiler plants. Other direct investments were:

- Costs for the disposal of waste and other office equipment= 6 019 euros (during 2011, paper waste was no longer taken to the incinerator),
- costs related to environmental management= €14 046

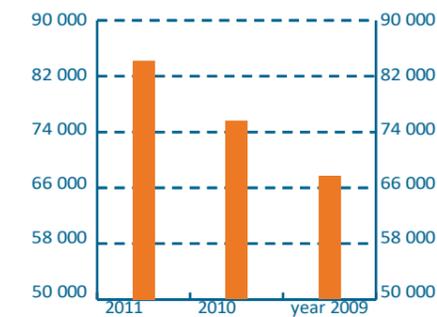
Share of energy savings

Year	Energy saved in kWh	Energy saved in %
2011	2 071 000	6,02
2010	2 506 000	7,92
2009	2 000 000	5,07

Water

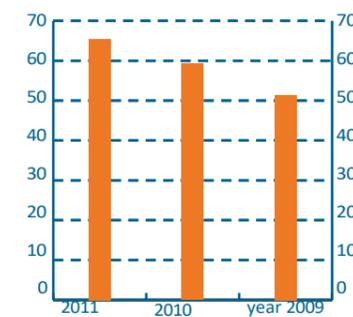
Water is supplied to all VUB Bank branches throughout the Slovak Republic by local water companies. In 2011, water consumption increased by 11.4%, mainly due to construction works on buildings.

Total water consumption (in m³)



In 2011, we had an average daily water consumption of 230.7 m³, an average of 65.5 litres per employee per day.

Average daily water consumption per employee (litres)



VUB Bank is not a manufacturing company, therefore water consumption is not significant. We use water mainly for personal hygiene, irrigation and a minimal amount for the operation of equipment (heating, cooling circuits, etc.). At present, we do not initiate any measures to reduce water consumption, as we are convinced that we use water efficiently and our consumption is below the national average.

We do not take water directly from the water source, but from water or small local suppliers. We do not require data on water sources and the use of recycled water from our suppliers. However, our activities do not affect local water sources.

Biodiversity

None of VUB Bank's activities affect biodiversity. We do not carry out activities that would directly disturb the and therefore biodiversity indicators are not relevant for us. VUB does not own any property or lease any premises that encroach on a protected area or are located in a protected area.

For 2011, we do not record any environmental contamination in the vicinity of our facilities. As we are not a manufacturing company, we have not caused any water pollution. We are not the owner of facilities from which sewage would be discharged into the countryside and threaten the biodiversity of water reservoirs. The water is discharged as standard into sewerage systems and further treated in sewage treatment plants.

We also contribute to environmental protection by managing accounts and providing credit and loans to companies and NGOs that are active in environmental activities.

Emissions of CO₂ and ozone-depleting substances

As a financial institution with only small and medium-sized sources of pollution, we do not produce amounts of harmful emissions. However, we are also aware of the little that we can influence ourselves (use of private cars, business travel, logistics, etc.). We do not yet measure the emissions produced by electricity-generating equipment (diesel generators), nor do we employ separate specialists for this activity.

Pursuant to Act No. 286/2009 Coll., according to which every operator of refrigeration equipment is obliged to report data on fluorinated greenhouse gases to the relevant district environmental authority, the Bank fulfilled its reporting obligation and reported the quantities of substances that have a direct impact on the ozone. Our supplier has provided us with a list of all refrigeration equipment (in the pre-vice) that has more than 3 kg of refrigerant containing ozone-depleting gases in the circuit. These are mixtures of refrigerants such as R407c, R410a, R22. The total amount of such refrigerants in 2011 was about 2 724 kg.

It is not possible to report the amount of emissions produced by company cars (internal combustion engines, diesel-regattas) as this figure was not monitored in 2011 either. For the same reason we do not report NO_x, SO_x and other significant air emissions. In 2011, the fuel consumption of service cars and diesel-powered generators was 302 808 litres.

Waste

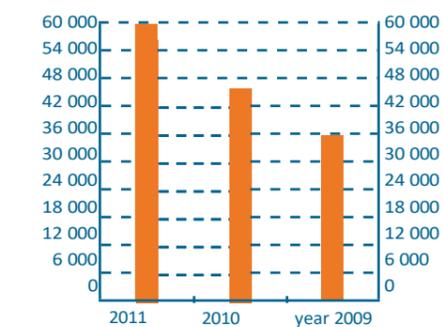
It is the responsibility of all employees to sort waste. There is a process in place for waste segregation that is mandatory for all employees. Its text is available on the intranet site and staff have been informed about it by personal emails. We separate only paper waste in facilities across the country. In the head office building of VUB banka in Bratislava, we sort waste as follows:

- paper (cardboard),
- plastics,
- metals,
- Glass,
- mixed municipal waste,
- hazardous waste.

Hazardous waste - packaging containing residues of hazardous substances (kg)	
2011	1 240
2010	600
2009	950

Types of waste disposed of (kg)	2011	2010
Absorbents, other filter materials	1 240	-
Packaging containing dangerous substances	1 240	-
Waste toner from printers	-	50
Bulky waste	1 170	3 410
Lead acid batteries	170	310
Plastics and rubber	-	480
Discarded equipment	-	12 890
Discarded equipment (fluorescent lamps)	100	-
Discarded equipment (other)	1 660	-
Discarded equipment containing hazardous substances	194	150
Decommissioned transformer	2 pcs	0

Waste - separated paper (kg)



Environment and credit policy

Green energy and energy efficiency projects "Twin Pillars"

Environmental sustainability is one of the cornerstones of our responsible business strategy. As part of our lending policy, we do not finance companies that do not comply with environmental legislation. Nor do we support companies that do not comply with the environmental protection requirements of the legislation of the Slovak Republic/Czech Republic or the European Union, or are in breach of the requirements of the EBRD/IFC (European Bank for Reconstruction and Development and the International Finance Corporation). Although we also provide loans within the framework of corporate financing to clients in sectors where environmental risks can be expected, these are subject to detailed scrutiny.

In terms of our green energy orientation, we offer products that contribute to environmental sustainability. Our commitment to bringing new or innovative products and services to the market was confirmed in 2011, with increased attention to the following areas:

- agriculture,
- local governments,
- ,
- energy efficiency.

Funded projects contribute to environmental protection - reducing CO₂ production and thus improving the environment, protecting human health and natural resources, reducing air pollution and reducing energy consumption.

VUB Bank supports "Twin Pillars" projects focused on energy tical savings and energy production from alternative energy sources (hydropower plants, biogas plants, biomass combustion plants and photovoltaic plants). We have established a team of people who provide financial and professional assistance to potential investors with the preparation of

and the implementation of these types of projects, whether industrial, agrarian or municipal. In 2011, we implemented dozens of "Twin Pillars" projects. We have helped our clients to find the best form of financing - either through direct financing or co-financing (EU Structural Funds, SLOVSEFF programme).

For several years we have been cooperating with the European Bank for Reconstruction and Development (EBRD) on projects funded by the SLOVSEFF I and SLOVSEFF II programmes, which are aimed at supporting the development of energy efficiency in the industrial sector, in the field of renewable energy sources and in the residential sector.

Renewable energy projects supported

Type of project	2011		2010	
	Number of	Investment volume in EUR	Number of	Investment volume in EUR
Photovoltaics	9	39.5 million.	16	54 mil.
Hydropower	0	-	2	3.5 million.
Biogas	4	8.3 million.	2	4 mil.

Energy efficiency projects supported

Type of project	2011		2010	
	Number of	Investment volume in EUR	Number of	Investment volume in EUR
Energy savings and CO ₂ emission reductions	1	23 mil.	1	0,8 mil.
Replacement of mill technology	0	-	3	1.6 million.
Insulation of residential buildings	74	14.1 million.	87	15.9 million.
Insulation of office buildings	3	0,8 mil.	10	6.9 million.

Initiatives to reduce the environmental impacts of products and services

Credit policy

VUB Bank has embedded standards in one of its core activities, . The bank does not provide resources to finance certain activities, from an environmental point of view include:

- trade in wild game and wild game products,
- the release of genetically modified organisms into the natural environment,
- production, distribution and use of banned pesticides, herbicides, chemicals and ,
- fishing with floating nets,
- radioactive substances, including radioactive waste.

If the client knowingly engages in areas of environmental risk, the bank requires due diligence to manage the client's environmental risk. Examples of such risk activities and business areas are provided below:

- hazardous waste storage, treatment and disposal,

- manufacture or trade in equipment and appliances containing Freons,
- manufacture or trade in electrical equipment containing polychlorinated biphenyls (PCBs),
- manufacture or trade in products containing asbestos,
- foreign trade in waste and waste products.

Investment loans from EBRD resources to support the development of energy efficiency (SLOVSEFF Programme)

VUB provides loans for energy efficiency support from EBRD resources under a credit line.

SLOVSEFF II Support for the development of energy efficiency and renewable energy sources in the Slovak Republic (Slovak Sustainable Energy Financing Facility). The SLOVSEFF programme is aimed at supporting the development of energy efficiency in the industrial sector, renewable energy sources and energy efficiency projects in the residential sector.

Upon successful implementation and verification of the completeness of each project, the client will be paid an incentive payment calculated as a percentage of the loan amount. The incentive payment levels are as follows:

- energy efficiency in industry - 7.5% of the loan volume,
- renewable energy sources - 5-15 % of the loan amount (the amount of the subsidy cannot be less 5 % of the loan amount),
- Energy efficiency in the residential sector - 10 - 15% of the loan amount (depending on the level of energy savings achieved).

Incentive payments to clients are paid directly to the client. The project is intended for the private sector, legal and natural persons doing business under the current legislation of the Slovak Republic, meeting the following criteria:

- the firm must not be majority owned by the public ,
- the firm must not be involved in the production, marketing, distribution of tobacco products, hard liquor, alcohol (except breweries, wineries and other low/medium alcohol beverage enterprises), gambling enterprises, arms production and trade, and projects not complying with the EBRD's environmental policy,
- the company must not pollute the environment.

Electronic account statements

Since 2010, we have been successfully replacing paper bank statements with electronic ones. Not only because the electronic statement is more modern and easily accessible at any time in one , but it is also a demonstration of our responsibility towards the environment.

Currently, all VUB Bank's customers from the population with access to Internet banking have their electronic statement for current and term accounts, as well as for loans and certificates of deposit. These clients are sent a paper statement only once a year, in the form of a summary annual statement.

As of 31 December 2011, in addition to the electronic statement (available via internet banking), it also required the regular sending of a paper statement at a frequency other than annually (monthly, quarterly, semi-annually):

- 82% of customers with current accounts (approx. 520) and
- 33% of clients with a term account (approx. 28,000 clients).

VUB exclusively uses electronic statements:

- 7% of clients with current accounts closed before 1 March 2010,
- 45% of clients with a term account closed before 1 March 2010

and up:

- 95% of clients with current accounts closed after 1 March 2010,
- 99% of clients with a term account closed after 1 March 2010.

The high percentage of exclusively electronic statements used by new clients was achieved primarily due to intensive internal communication to branch staff, who have the opportunity to influence the client's decision to purchase new products. In addition to the savings in postage costs, the introduction of electronic statements has also significantly reduced the consumption of paper for statements. In 2011, 2 forms of communication were used to communicate the benefits of electronic statements to clients - statement inserts and printing on envelopes.

Community projects

Through the VUB Foundation, we have also supported several environmental projects and events organized by non-governmental organizations. The most important were:

- Ekotopfilm - an international film festival on sustainable development combined with environmental education for children and youth,
- Clean Waters - a project aimed at cleaning high mountain spits, lakes and rivers in the protected area of the High Tatras,
- Grants to elementary schools under the employee grant program,
- Financial assistance to municipalities affected by floods.



Conference *Potential of biomass development in Slovakia*

Renewable energies are one of the main topics of the discussions on tomorrow's energy. Their proper implementation and the targeted use of their potential undoubtedly have wider implications for our society as a whole. One of the promising options is the use of biomass, in which there is growing interest, both at home and abroad. It was this possibility that was the focus of the experts and those interested in it at an international conference organised by VUB Bank in Bratislava. The discussion focused on the current legislation in the field of support and use of renewable resources, practical experience with the construction and operation of biogas plants and the possibilities of financing projects for the use of biomass in Slovakia by banks and leasing companies.

It was an event with a rich international participation, both on the part of the speakers as well as on the part of the conference participants. The organizers were based on the objectives of elevating and moving the segment of renewable energy sources and biomass utilization towards practical implementation of knowledge. Practical not only in the field of progress in the technical provision of biomass utilization, but also in the field of successful evaluation of the invested finances. Representatives of VUB Bank introduced the participants to the possibilities of project financing, the use of leasing products to finance green energy, as well as a concrete example of financing in practice.

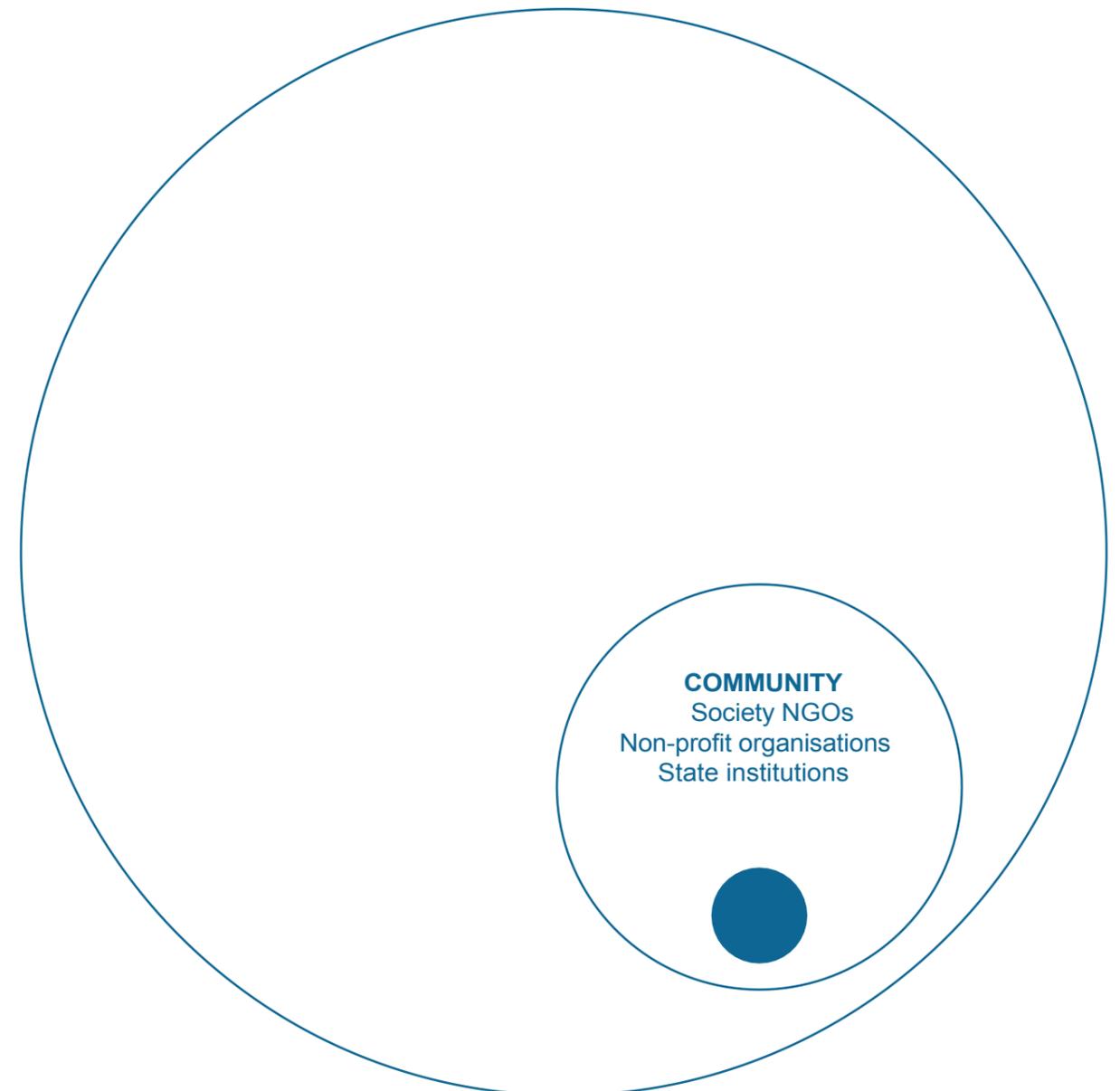
World Environment Day

Every year on 5 June, the world marks World Environment Day, proclaimed by the United Nations. In 2011, VUB Bank joined it for the first time. The activities were aimed at employees, clients and the community. For example, employees could suggest measures to reduce paper consumption, were encouraged to set up electronic bank statements, to use air-conditioning wisely in the summer heat, to save , to separate waste or to create an eco-friendly message in the signature of e-mail communications. Clients were also approached with the offer of electronic account statements instead of the traditional paper ones and were provided with a communication campaign - banners, special enviro-messages on postal envelopes, leaflets in the statements and a microsite with detailed information.

Shining ecological light in VUB Bank

Our central building is one of the landmarks of capital. Its architect is akad. arch. Ján Bahna, who won the prestigious Building of the Year award in 1997. The building is characteristic not only for its height (23 floors), but also for its blue evening and night lighting. Towards the end of the year, the blue neon lighting of the Bratislava headquarters building, which had been switched off for almost six due to the renovation, was reinstated. In the course of the reconstruction work, 1 850 m of new, eco-friendly neon tubes filled with argon had to be removed and reinstalled.

Community



In 2011, VUB Bank continued to help the community where our clients, partners and employees live. We see our social responsibility as an investment in society. In this area, VUB Bank is committed together with its foundation. Our activities in favour of the community have long been oriented towards support:

- third ,
- Education,
- sheltered workshops.

Last year, we invested more than €274,000 in public benefit projects. For the year we have been supporting the Good Angel humanitarian system through charity payment cards. Their number has already grown to 22,724. A brand new project launched at the beginning of 2011 was financial education for primary school children, for whom we developed an interactive online game. This project, unique in Slovakia, teaches children about their relationship with finances and leads them to responsible money management. We continued to support women in starting their businesses in the *EMMA Business Academy* project. In the area of higher education, we continued the grant scheme that brings foreign visiting professors to Slovak universities, as well as supporting the development of economic science through the *Economicus* competition. For the first time, students of economic universities competed for the best student project in the field of customer satisfaction in the new international competition *Customer Satisfaction University Award*.

In the area of philanthropy, we continued our long-standing initiatives to preserve cultural heritage and support the visual arts. Through the VUB Foundation, we have contributed to the restoration of several historical monuments. We held five exhibitions of young contemporary art in the fields of painting and photography, and held an exhibition of the winning paintings from the *Painting Competition* in two regional galleries.

VUB Bank develops its philanthropic activities systematically and supports its foundation in various ways:

- by means of an income tax allowance (EUR 863 463 in),
- financial contribution,
- Personnel,
- material and administrative,
- by providing know-how and services from its suppliers.

The VUB Foundation is an independent legal entity, but some of its activities and projects are carried out in close managerial and financial cooperation with VUB Bank, which is why we mention them in this report. All activities of the VUB Foundation in 2011 are comprehensively presented in the annual report published on www.nadaciavub.sk.

Financial assistance

VUB Bank supports projects in identical areas to those targeted by the VUB Foundation in order to achieve . These are the areas of education, culture and charity. In 2011, VUB Bank supported **29 entities** with **EUR 274,000**.

Overview of funds provided	2011	2010	2009
Number of entities supported	29	31	29
Total donations in euros	274 -tis.	108-thousand.	90,7 thousand.

Non-financial assistance

In 2011, VUB Bank donated **8 discarded IT devices** to the applicants, which included primarily healthcare institutions, non-profit organisations and schools.

	2011	2010	2009
Number of donated IT devices	8 pcs	38 pcs	89 pcs

Other types of aid

Cooperation with the non-profit sector

Since 2007, VUB Bank has been cooperating with the non-profit organisation **Dobrý Anjel**, for which it has issued unique charity payment cards. One percent of the payments made goes to the account of the non-profit organization, which helps cancer patients and families with seriously ill children. This percentage is not donated by the cardholder, but by VUB Bank on his behalf. It is therefore a non-standard way of donating without the initial deposit of the client, who helps only with his and willingness to help. In the 5 years of its existence, the Good Angel card has been

VUB Bank issues unique Good Angel charity cards to help families with severe chronic illness.

	2011	2010	2009
Number of Good Angel cards issued	22 724	19 704	15 631
Contribution from VUB in euros (1% of payments made with clients' cards)	163 165	121 025	90 373

Cooperation with schools

One of VUB Bank's priorities is education in our "core business" - economics and finance. Our projects offer clever schoolchildren and students the opportunity to assert their original ideas and express their talents. Their aim is to educate children financially through play, to improve the quality of research and higher education in finance, and to develop economic science and research. We have a long-standing cooperation with universities and secondary schools. We support the growth of the quality of education and, in order to make education in the fields of finance, economics and banking more attractive, we implement:

- consultancy activities in the creation of the diploma and year thesis,
- internship opportunities for high school and university students,
- professional thematic lectures at secondary and higher education institutions.

A great synergistic effect is brought about by linking these activities with the VUB Foundation, which annually awards:

- grants for semester-long visiting of foreign professors - open grant scheme **Visiting professor**,
- the **Economicus** Prize for Young Economists,
- Award for the best student project in the field of customer satisfaction **Customer Satisfaction University Award**.

Visiting foreign professor

The grant programme allows universities of economics to invite experts from for a semester-long visit. It is now in its third year and is subsidised with 90 000, which covers the costs of two visiting professors. The aim of the grant programme is to enable the hosting of eminent foreign experts at our universities, to bring knowledge of the forms of scientific work at foreign universities, to motivate economics students, PhD students and teachers to become actively involved in economic science. Students get the opportunity to learn about the practices that used in other universities in the world, and to acquire knowledge of the

in a way that they have never experienced before. In the past year, they have gained

EUR 99 000 for foreign professors at the Faculty of Arts of Charles University and the Faculty of Economics of the Slovak University of Agriculture. Professor Joan Winn from the University of Denver and Professor Marian Rizov from the University of London

Middlesex University. *The Visiting Professor* programme was also recognised by TREND weekly, which awarded him the prize for outstanding project of cooperation between universities and companies in the development of educational activities.

The VUB Foundation supported the work of foreign experts at Slovak universities.

Economicus - VUB Foundation Award for Young Economists

The competition of scientific papers in the field of economics for young economists up to 40 years of age also contributes to the development of economic science in Slovakia. The winner will receive EUR 10 000 and an award for the best scientific paper published in renowned foreign journals. The competition is intended to motivate young teachers, researchers and PhD students to produce scientific work, original ideas and publications. In the second year of the competition, the prize was awarded to Eduard Baumöhl and Tomáš Výrost from the Faculty of Business Administration of the EU in Košice.

Customer Satisfaction University Award - Award for the best student project in the field of customer satisfaction

In 2011, the first edition of the international competition organised in cooperation with the parent bank Intesa Sanpaolo took place. The competition for students of economic universities is held simultaneously in 8 countries. The aim of the competition is to get students' independent, critical insight into the Bank's activities and to propose measures to improve customer satisfaction. The competition develops students' potential for creative, non-traditional on how to do ordinary things differently. The students' task was to develop a project in the area of customer satisfaction. The students prepared for the competition in a workshop, where they were given a lot of information and input for their project. At the same time, we gave the students an insight into the bank's premises - we took them through the branch and the head. During the preparation of their projects, they were assisted by tutors from VUB. Out of the 43 teams, six made it through to the final round of the national competition and won prizes totalling EUR 12 000, an internship at VUB and participation in the Superfinal in Milan. The team from the Faculty of Economics of the Technical University of Košice was successful there. Martin Bodnár and Bianka Bodnárová won in the Implementation category and were rewarded with a summer internship at Intesa Sanpaolo.

Financial education for children

Educational interactive online game www.uplnazverina.sk is a unique project in Slovakia that teaches children about finances and responsibility when dealing with money. Children can learn to talk about finances and develop their financial skills in a playful way. It is aimed at children aged 9-12 years. In cooperation with the advertising agency Istropolitana Ogilvy, it was launched in February 2011 and already in the first month over 80 000 visitors visited the site. The need for a similar project was initiated by the level of financial knowledge in Slovakia, which, according to a survey by the Slovak Banking Association, is average or below average. In it, 74 % of the respondents could not choose between two loan offers the more advantageous one, and more than half of the people could not even choose a more suitable term deposit. A financially educated client is more confident, handles his bank account differently, invests wisely and borrows only as much as he can repay. Simply, he does not live above his means.

Children can use the game www.uplnazverina.sk to learn why it is beneficial to put money in an account, how to divide their savings so that part of it earns a profit on a long-term fixed deposit and another part is always available in case of an emergency. The game is based on the principle of real strategy and has a philanthropic touch. The children take care of the various animals in the shelter, provide them with food, toys and play with them, and at the same time have to manage their finances so that they always have enough money to run their animal household. They receive money in the form of pocket money from their parents, they can earn money by doing small jobs (mowing the lawn, cleaning, .) and they can also increase their income by investing wisely in fixed-term deposits. On the other, the game also presents children with unexpected challenges, such as a thief who may steal some of the undeposited money.

Cooperation with sheltered workshops

VUB Bank also supports the functioning of **sheltered workshops** by purchasing their products and services. The Bank enters part of the orders to these workshops, despite the fact that their prices are often higher and the delivery dates longer than those of regular suppliers. In 2011, we purchased goods and services totalling **EUR 82 599**.

Products and services purchased from sheltered workshops

	2011	2010	2009
Products in euros	77 924	68 892	11 310
Services in euros	4 675	541	5 039
Total in euros	82 599	69 433	16 349

In addition to the purchase of products, the sheltered workshops are also supported by the VÚB Foundation, which provides grants for the creation of new. They can receive support in an annual open grant scheme. In 2011, three sheltered workshops received grants worth more than EUR 11 000.

In December, for the first time, a Christmas was held in the VUB headquarters building, where employees could bring their children with them. For two days, they could enjoy the festive atmosphere and indulge in the products sold by eight sheltered workshops from all over Slovakia - Dom Svitania from Jakubov, Jazmín from Handlová, Grodo from Banská Bystrica, Ayrton from Prievidza, Impulz, Inklúzia, Scarabeus and Manna catering from Bratislava.

Employee involvement in community life

As in previous years, we conducted an internal campaign for employees on the topic of donating 2% of personal taxes and individual giving. Many employees have activated the Good Angel charity payment card. Employees donate blood free of charge every year during the **VUB Blood Drop** event in cooperation with the National Transfusion Service. The event is always very popular, with 97 donors taking part in two donations in 2011. In total, 45 litres of the life-saving were donated.

In an effort to involve employees in activities beneficial to the community and to promote their volunteerism, the VUB Foundation continued its existing employee programmes. In the **Treasures of My Heart** grant scheme, employees can receive financial support for the preservation of objects of cultural and natural heritage. Projects are submitted in cooperation with the non-profit sector and local governments. Last year, employees submitted 160 projects and received almost **EUR 50 000** 10 projects.

In the second type of employee programme, projects **of an educational and charitable nature** can be submitted. The condition for the award of the grant is the active participation of the employee in the implementation of the project in the form of volunteering. Employees submit projects in cooperation with NGOs, schools or local authorities. It is a way to support ideas and projects that employees find meaningful and useful: together they solve a problem in the community, support a public service activity or a civic association in which employees are involved. In 2011, employees submitted a total of 166 projects and received support worth **€66 056** for 36 organisations. In addition to experts in their respective fields, the Bank's employees are also represented on the evaluation committees.

Support for staff projects

	2011	2010	2009
Number of registered projects	326	160	146
Number of supported projects	46	31	17
Grants awarded in euros	116 011	135 742	86 844

Major community projects in 2011*Education for budding female entrepreneurs*

In cooperation with the *Emma* magazine, VUB Bank continued for the third year in the *Emma* educational project *Business Academy*. It is designed for women - fresh graduates, after maternity leave, unemployed, women who have just graduated from school, women who are on maternity leave, women who are unemployed, to those who would like to start their own business. The course was attended by 12 participants. They gained know-how that will help them to start their own business. The lecturers were managers from VUB - experts in finance, business loans, marketing and advertising. They were advised by women entrepreneurs who have been running successful businesses for several years, as well as successful graduates of previous years of the academy. The seminar uncovered the participants' potential for entrepreneurship through personal diagnostics, provided valuable advice on how to communicate towards the customer and which business techniques to use for which client typology. Ta. The lecturers revealed not only the pitfalls of a proper business plan, but also creative tactics and advice on how to sell yourself. The participants could then try out the theory in practice at the workshop, where business plans were created in teams on a given topic and the best one was awarded afterwards.

AC Milan Junior Camp

VUB Bank in cooperation with the Italian football club AC Milan organized for the third time for the third time in Slovakia AC Milan Junior . During three days they trained at ŠKP Dúbravka field, the best coaches and experts of AC Milan club for boys aged 9 - 13 years. The three-day camp programme was a great combination of sport, relaxation and fun. The coaches, ISEF diploma holders and former professional football players were the guarantee of high quality training sessions. The children's football camp was attended by 60 young talents nominated by the Slovak Football Association. The children were divided into groups according to age and football skills. Thanks to the financial support of VUB Bank

the young footballers attended the all-day training free of charge and took home, besides beautiful experiences and cup trophies, as well as footballs signed by world football legend and head coach of the camp Pierino Prati.

Activities of the VUB Foundation in 2011

The VUB Foundation has been active in the field of philanthropy for eight years. Last year, it contributed more than 1 million to various public benefit projects, of which most of the funds went to charity () and support for art and cultural heritage ().

Overview of grants awarded

	2011	2010	2009
Aid granted in euros	1.1 million.	1.2 million.	903-thousand.
Number of supported projects	124	174	138

Foundation Programme for Hope

The charity-focused programme helps disadvantaged groups to level the playing field in life. It supports the development of sheltered workplaces, sheltered housing and funds therapies for the disabled, helping foster families. In the area of health care assistance, we have donated 166 000 euros for medical therapies, the purchase of equipment and the equipping of hospital wards. The beneficiaries of the grants were Vranovská nemocnica, Všeobecná NsP Lučenec, Nemocnica Poprad, Detské ARO Košice, Hornooravská nemocnica Trstená, the children's hospice Plamienok and the rehabilitation centre ADELI in Piešťany.

Foundation Programme for Education

In addition to the projects mentioned in the section Cooperation with schools (*Visiting Professor and Economicus*), we focused on supporting universities with an economic focus - for example, the University of Economics in Bratislava and its National Economist Foundation received financial support. The oldest and largest scientific library in , the University Library in Bratislava, a long-standing partner of the VUB Foundation. It has received funds to expand the library's holdings of foreign literature. Additional support was received by the bank's employees for the realisation of 18 educational projects in various schools across Slovakia.

Foundation Programme for the Arts

The activities of the VUB Foundation focused on cultural heritage and fine arts are based on the tradition of enhancing the country's artistic and historical heritage, which is also shared by the Italian owner of VUB Bank, the Intesa Sanpaolo banking group. We work with local partners and experts to identify and select monuments in need of assistance. In addition to renovations, our aim is to spread awareness of the richness of our country and the vulnerability of our national heritage. In , the VUB Foundation contributed EUR 400 000 to the preservation of cultural heritage, which was directed towards the reconstruction of buildings in parts of Slovakia.

Treasures of my heart

The VÚB Foundation is interested in paying attention also to monuments of regional importance, whose preservation is as important as the restoration of national cultural monuments. For this purpose, a unique grant programme **Treasures of My Heart** has been created, in which it is possible to obtain funds for the preservation of cultural and natural heritage objects in various regions of Slovakia. The aim of the programme is to financially support smaller objects that are cultural, artistic and natural treasures of our country. These are financially less demanding projects, for the implementation of which a financial amount of up to EUR 6 000 is sufficient. Thanks to this programme, several Slovak treasures were saved last year and the following projects were implemented, for example: the reconstruction of the entrance gate to the city park in Trebišov, the rescue of the Count's greenhouse in Stupava, the reconstruction of the fountain in the park in Spišské Hrhov or the cartouche in the New Fortress in Komárno. In the fifth year of the programme's existence, the VÚB Foundation supported 10 projects with almost 50 000 EUR.

We also involve the general public in deciding which monuments to support. Last year, statues from 8 towns and villages in different regions of Slovakia, needed help, competed for people's favour in an online vote. Based on the results of the voting, which took place throughout October on a special , the VUB Foundation supported the reconstruction of a set of statues of ancient gods in Piešťany, which received the most votes. In total, more than 17,000 people voted on the website.

Restoration of the Banská Štiavnica Calvary

In 2011, for the fourth year, the VUB Foundation continued its cooperation with the Calvary Fund Association on the project of saving the Calvary in Banská Štiavnica. This national cultural monument under the protection of UNESCO had long been in a desolate condition and in 2007 it was listed among the 100 most endangered monuments in the world. Over 10 years (2008-2017), the VUB Foundation will provide the Fund with an annual contribution of EUR 66,400.

Promotion of contemporary visual arts

Following the example of its parent bank, VUB is committed as a supporter of the arts. In cooperation with the Foundation, it organises two art competitions every year to support talents in painting and photography. The works entered in the competitions are evaluated by expert juries and the winners receive a financial prize.

In 2011, the sixth edition of the *Painting Competition - VUB Foundation Prize for Painting for Young Artists* took place, with 89 artists entering. The works of the finalists were presented at an exhibition in the Hall of the Ministry of Culture in Bratislava from 24 November to 22 December 2011. In 2011, we also brought the Painting exhibition to galleries in the regions: to the Orava Gallery in Dolný Kubín and to the Vojtech Löffler Museum in Košice. The exhibitions presented a collection of the winning paintings from the course of the competition so far. In addition to the direct financial support of artists, the competition also helps to promote contemporary visual . This ambition has also led to the creation of a new website www.malbaroka.sk, which includes a virtual gallery presenting the finalists of all previous editions of *the Painting Competition*.

The aim of the *Photo of the Year - VUB Foundation Award for Young Photographers* is to support young artists up to 35 years of age and to promote artistic works in the field of photography. In February 2011, the winners of *Photo of the Year 2010* were announced. The announcement of the winners and the exhibition of the finalists took place in the premises of the University Library on Michalska Street in Bratislava. Subsequently, the fourth edition of the *Photo of the Year 2011* competition took place, culminating in an open-air exhibition at Hviezdoslav Square in Bratislava. The exhibition lasted for three weeks and presented the finalists of the competition, a total of 66 large-scale photographs on the theme "People and the Street". By bringing the exhibition from the gallery space to the square, the art of talented photographers was brought closer to the people. A new website www.fotoroka.sk was also created for the competition, with a virtual gallery that showcases the final photographs from past years' competitions.

Attachments

Global Reporting Initiative Indicator Table

Profile disclosure Description	GRI	Completeness Page Information	
Strategy and analysis			
Statement by the organization's top manager.	1.1	✓	2 - 3
Description of key impacts, risks and opportunities.	1.2	✓	10
Organisation Profile			
Name of the organisation.	2.1	✓	8, 94
The most important types of goods, products and/or services.	2.2	✓	38 - 40
The management structure of the organisation, including major divisions, operations, and consortia.	2.3	✓	11 - 12, 14 - 17, 19
The headquarters of the organisation's management.	2.4	✓	8, 94
Number of countries and names of countries where the main activity is carried out or is specifically linked to the sustainable development objectives identified in the report	2.5	✓	8
Type of ownership and legal form.	2.6	✓	8
Markets (including geographical specification, sectors served and types of customers/users).	2.7	✓	8, 9
Size of the reporting organisation.	2.8	✓	8
Significant changes during the reporting period in size, structure and ownership.	2.9	✓	9
Awards received in the reporting period.	2.10	✓	13, 38
Message parameters			
Reporting period.	3.1	✓	4
Date of last report.	3.2	✓	4
Reporting cycle.	3.3	✓	4
Contact person for any questions.	3.4	✓	4
The process of defining the content of the report, including determining relevance; identifying priority topics for the report; and identifying stakeholders who should use the report. The scope of the report (e.g. countries, divisions, , leased facilities, consortia, suppliers).	3.5	✓	21
Set out any specific limitations on the content and scope of the report.	3.6	✓	4
Basis for reporting on consortia, , leased facilities, outsourced activities, and other entities that materially affect period-to-period and/or inter-organization comparisons.	3.7	✓	4
Data evaluation techniques and basis for calculations.	3.8	✓	4
An explanation of the impact of any change to the information provided in previous reports and the reasons for changing the information.	3.9		4
	3.10		not relevant

Profile disclosure			
Description	GRI	Completeness Page Information	
Significant changes from the previous reporting period in the scope, definitions or measurement methods applied in this report.	3.11	Information	not relevant
Table of indicators and management approach.	3.12	✓	87 - 92
Verification.	3.13	✓	93
Governance, commitment and cooperation			
The structure of an organisation's governing body, including committees under the highest governing body, which is responsible for specific tasks such as setting strategy or organisational overview.	4.1	✓	14 - 17
Indicate whether the chairman of the supreme administrative authority is also the chief executive officer.	4.2	✓	17
Organisations that have a single governing body structure shall indicate the number of members of the highest independent governing bodies and/or the number of members.	4.3	✓	not relevant
Mechanisms for shareholders and employees to provide recommendations or views to the highest governance bodies.	4.4	✓	17, 21, 51, 52
The link between the compensation of board members, executives and executive directors (including severance pay) and organizational performance (including social and environmental performance).	4.5		17
Processes designed for the highest administrative authority to prevent conflicts of interest.	4.6	✓	16
A process to determine the qualifications and expertise of the members of the highest governance body to ensure that the organisation's strategy is implemented in line with economic, environmental and social themes.	4.7	✓	17
Internally developed mission, values and behavioural statements and principles relevant to economic, environmental and social performance and the status of their implementation.	4.8	✓	7
The highest governance body's procedures for reviewing the organisation's identification and management of economic, environmental and social performance, including relevant risks and benefits, adherence to internationally agreed standards, corporate conduct and principles.	4.9	✓	16 - 17
Processes for evaluating the Supreme Governing 's own performance, particularly with regard to economic, environmental and social performance.	4.10	✓	16 - 17, 19
Explanation of whether the organization is applying a preventive approach or principle and how.	4.11	✓	23, 76
Externally developed economic, environmental and social statutes, principles or other initiatives that the organisation agrees with or subscribes to.	4.12	✓	22 - 24
Membership of associations (e.g. industry associations) and/or national/international organisations.	4.13	✓	13
A list of stakeholder groups working with the organisation.	4.14	✓	21, 41
The basics of identifying and selecting stakeholders for collaboration.	4.15	✓	21
Approaches to stakeholder engagement, including frequency of engagement by type and by group.	4.16	✓	30, 35, 36, 37, 44, 51, 52, 55, 58, 59
The key themes and interests that emerged from the stakeholder engagement and how the organisation responded to these key themes and interests, including its reporting.	4.17	✓	35, 51, 52,

Disclosure of the management approach		Page
Economics		
Economic performance.		8 - 12, 22 - 28
presence.		8 - 12
Indirect economic impacts.		19 - 28, 80 - 85
Environment		
Materials.		68, 69, 70
Energy.		68, 69, 71, 72
Water.		68, 69, 73
Biodiversity.		68, 69, 74
Emissions, sewage and waste.		68, 69, 74, 75
Products and services.		68, 69, 75 - 78
Compliance with legislation.		68, 69
Transportation.		68, 74
Company		
Working procedures and conditions		
Employment.		44 - 50
Worker/management relations.		54, 55
Occupational health and safety.		53
Training and education.		44, 50, 51
Diversity and equal opportunities.		52
Human Rights		
Investment and purchasing processes.		64, 66
Prohibition of discrimination.		52
Freedom of association.		54 - 55
Child labour.		Not relevant
Forced and compulsory labour.		Not relevant
Rights of indigenous peoples.		Not relevant
Product liability		
Health and safety of clients.		32 - 34
Labelling of products and services.		35 - 38
Marketing communication.		41
Customer Privacy.		24, 25, 34
Compliance with legislation.		22, 23
Company		
Community.		80
Corruption.		27, 28
Public Policy.		24
Anti-competitive behaviour.		22, 23
Compliance with legislation.		22, 23

Disclosure of performance indicators Aspect	Indicator	Main	Completeness Information	Page
Economics				
Economic performance	EC1. Direct economic value created and distributed including sales, operating expenses, employee compensation, donations and other community investments, deferred profits and payments to providers of capital and the state.	x	✓	8 - 10, 58 - 59
Market presence	EC6. Policies, practices and expenditure ratios at local suppliers at important points of operation.	x	✓	65
Indirect Economic Impacts services	EC8. Development and impact of investments in infrastructure and provided primarily for public benefit through commercial, non-profit or charitable events.	x	✓	81 - 85

Environment	Indicator	Main	Completeness Information	Page
Materials	EN1. Materials used, indicating their weight or volume.	x	✓	70
	EN2. Percentage of recycled input used.	x	✓	70
Energy	EN3. Direct energy consumption with indication of primary energy source.	x	✓	71
	EN4. Indirect energy consumption, indicating the primary energy source.	x	✓	72
	EN5. Energy saved due to increased savings and improvements efficiency.		✓	72 - 73
	EN6. Initiatives to provide products and services that are energy efficient or based on renewable energy sources, and the consequent reduction in energy requirements as a result of these initiatives.		✓	75 - 78
Water	EN8. Total volume of water abstracted with indication of source.	x	✓	73
	EN9. Water resources that are significantly affected by abstraction.		✓	73
	EN10. Percentage and total volume of recycled and reused water used.		✓	73
Biodiversity	EN11. The location and size of land owned, leased or managed that is located in or adjacent to protected areas and areas that are not protected but are characterised by high biodiversity value.	x	✓	74
	EN12. Description of significant impacts of activities, products and services on biodiversity in protected areas and areas outside protected areas of high biodiversity value.	x	✓	74
	EN13. Protected or restored environment.		✓	74
	EN14. Strategies, current practices and future plans for management and impacts on biodiversity.		✓	74
Emissions, sewage and waste	EN19. Emissions of ozone-depleting substances indicating their weight.	x	✓	74
	EN20. NOx, SOx and other significant air emissions with their type and mass.	x	✓	74
	EN22. Total weight of waste, indicating type and method liquidation.	x	✓	74, 75
	EN23. Total number and extent of significant contamination.	x	✓	74

Environment	Indicator	Main	Completeness Information	Page
	EN24. Weight of transported, imported, exported or treated hazardous waste characterised according to the Basel Convention, Annexes I, II, III and VIII, and the percentage of internationally shipped waste.		✓	74, 75
	EN25. Identity, size, conservation status and value of biodiversity reservoirs and adjacent areas significantly affected by sewage runoff from the reporting organisation.		✓	74
Products and services	EN26. Initiatives to reduce environmental impacts products and services, the extent to which the impact will be	x	✓	75 - 78
Working procedures and conditions				
Employment	LA1. Total labour force by type of employment, employment contract and region.	x	✓	44 - 45
	LA2. Total number and ratio of staff turnover by age groups, gender and region.	x	✓	46 - 47
	LA3. Benefits provided to full-time employees full-time employment not provided to temporary or part-time staff, by main establishment.		✓	49 - 50
Labor/Management Relations	LA4. Percentage of employees covered by collective Contract.	x	✓	54
	LA5. Minimum notification time(s) for significant operational changes, including whether specified in the collective agreement.	x	✓	54
Safety and security occupational health	LA6. Percentage of the total workforce represented in formal collective management - occupational safety and health committees that help monitor and recommend occupational health and programmes.		✓	53, 54
	LA7. The number of occupational injuries and illnesses, lost and days missed and the number of deaths due to the impact of work by region.	x	✓	53, 54
	LA8. Education, training, counselling, prevention programmes and risk controls related to serious diseases that are appropriate for workers, their families or community members.	x	✓	50
	LA9. Occupational health and safety topics covered in formal agreements with trade unions.		✓	53
Training and education	LA10. Average number of hours of training per year per employees, by category of employee.	x	✓	50 - 51
	LA11. Skills management and lifelong learning programmes that support the continued employability of staff and assist them in exiting their careers.		✓	50 - 51
	LA12. Percentage of employees receiving regular an overview of your achievements and career development.		✓	48
Diversity and equal opportunities	LA13. Composition of governing bodies and of staff by gender, age group, membership in minority groups and other indicators of diversity.	x	✓	46, 47, 52

Human Rights	Indicator	Main	Completeness of information	Page
Prohibition of discrimination	HR4. Total number of discrimination cases and implemented Measures.	X	✓	52
Child labour	HR6. Identified activities where there is a significant risk cases of child labour and measures implemented to promote elimination of child labour.	X	✓	not Relevant
Forced and compulsory labour	HR7. Identified activities where there is a significant risk the occurrence of forced or compulsory labour and implemented measures to promote the elimination of forced or compulsory work.	X	✓	not Relevant
Rights of indigenous peoples	HR9. Total number of rights violations related to indigenous peoples and the implemented.		✓	52

Product liability	Indicator	Main	Completeness of information	Page
Labelling of products and services	PR3. Type of product or service information requested by procedures and the percentage of significant products and services, subject to information requirements.	X	✓	24, 25
	PR5. Customer satisfaction procedures including results of surveys that assess customer satisfaction.		✓	36 - 38
Marketing communication	PR7. Total number of cases concerning non-compliance with regulations and voluntary commitments in respect of marketing communication, including advertising, sales promotion and sponsorship, according to the types of results.		✓	22
Compliance with legislation	PR9. Monetary value of serious fines for non-compliance laws and regulations relating to the acquisition and use of products and services.	X	✓	66

Company	Indicator	Main	Completeness of information	Page
Corruption	SO2. Percentage and total number of business units that have been analysed in terms of corruption risk.	X	✓	27 - 28
	SO3. Percentage of staff trained on anti-corruption the organisation's policies and principles.	X	✓	27
	SO4. Measures taken against cases of corruption.	X	✓	27
Anti-competitive behaviour	SO7. The total number of lawsuits as a result of anti-competitive and anti-trust behaviour, monopolistic practices and their results.		✓	22
Compliance with legislation	SO8. Monetary value of significant fines and total number of non-monetary fines for non-compliance with laws and regulations.	X	✓	22

External verifier's opinion



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Stanovisko k Správe o zodpovednom podnikaní

Všeobecnej úverovej banky, a.s. za rok 2011

Všeobecná úverová banka, a.s. (VÚB banka) vydala už svoju piatu správu o zodpovednom podnikaní napísanú podľa smerníc Global Reporting Initiative (Smernice GRI). Nadácia Pontis bola poverená spoločnosťou VÚB banka, aby overila aplikačnú úroveň Smerníc GRI v tejto správe. Správu pripravila VÚB banka, ktorá v plnej miere zodpovedá za správnosť údajov v nej obsiahnutých.

Správa podľa nášho názoru v plnej miere pokrýva všetky časti požadované Smernicami GRI. VÚB banka touto správou spĺňa všetky podmienky aplikačnej úrovne B+ a značne prekračuje množstvo požadovaných indikátorov.

Správu pripravenú podľa Smerníc GRI je možné jednoducho porovnať s predchádzajúcimi rokmi a taktiež s inými subjektmi s podobnou činnosťou. Správa názorne ukazuje zmeny (pozitívne aj negatívne) vo výkonnosti firmy vo všetkých sledovaných oblastiach. Správa je napísaná primeraným jazykom, ktorému môžu porozumieť partneri (stakeholderi) spoločnosti. Taktiež oceňujeme, že Správa o zodpovednom podnikaní je vydaná spolu s finančnou správou.

VÚB banke odporúčame správu vydať aj v interaktívnom formáte určenom pre internetovú prezentáciu. Dávame na zváženie prípravu a vydanie stručnej verzie správy, ktorá by obsahovala prehľad a hlavné odkazy pre širšiu verejnosť. Taktiež by sme odporúčali stanoviť si konkrétne ciele na nasledujúce reportovacie obdobie a ich vyhodnotenie v ďalšej správe.

V Bratislave dňa 26. marca 2012


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