

Corporate Responsibility Report 2015



VÚB Bank has long been involved as a supporter of Slovak contemporary art. In cooperation with the VÚB Foundation, it organises the art competition for *young painters* to support talents called *Malba - VÚB Foundation Prize for Artwork*. The works submitted to the competition are evaluated by an international jury and the winners receive a financial prize. The competition is traditionally accompanied by a representative exhibition, which presents a collection of works by the finalists of the competition and thus helps to promote young visual arts.

Cover



Jakub Scholtés
(*1987, Prešov) *National Blues*. (2015)
acrylic on canvas, 130× 160 cm
collection of the VUB Foundation

Scholtés is a two-time finalist in the Painting Competition. He belongs to the emerging generation of talented painters. He works in painting, installation and graphic design. His work paraphrases and glosses the visuality of pop culture, inspired by the world of popular images, television news and social issues. The author is a graduate of the Faculty of Arts of the Technical University in Košice. He lives and works in Prešov.

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Our partners

Dear Partners,

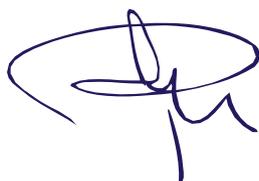
As one of the largest banks in Slovakia, we have a special position in society - we bring financial solutions for families and resources for business development for small and large companies that give people jobs. That's why it's vital that our approach to business is responsible. The principles of responsible business are part of our everyday decisions and VUB Bank's overall strategy.

Such a setting is very important not only towards our clients, but also towards our employees and local communities. Through our programmes, we are an active part of them and contribute to the improvement of life in regions across Slovakia. Encouraging people to be active and contributing to improving the environment in which we live together is one of our corporate responsibility priorities.

We are glad that thanks to people who are , we manage to carry out interesting projects in various fields every year. And we are preparing others that will help disabled people, precious cultural monuments, young artists or sportsmen.

In addition to the positive results that responsible business brings, we are pleased that we are not in this. Already in Slovakia, the number of companies that have been attracted to this philosophy is growing. And that is the best and most important news for all of us.

Bratislava, 30 June 2016

A handwritten signature in blue ink, consisting of a large, stylized 'A' followed by a series of loops and a vertical line extending downwards.

Alexander Resch

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

About this report

VUB Bank publishes its ninth annual Corporate Responsibility Report prepared in accordance with the G4 version of the Global Reporting Initiative (GRI) international guidelines. The report provides information on VUB's economic, social and environmental performance. The report contains qualitative data for the calendar and financial year 2015. They are comparable to the previous

the following financial periods. As last year, the report is distributed to VUB's partners together with the financial annual report. It is published on [v](#). In the interest of conserving natural resources, the report is published only at in an electronic version. Responses and questions can be sent to [v](#).

Overview of corporate responsibility reports issued

	Date of issue	GRI reporting level
Report for 2015	30. 6. 2016	basic application level
Report for 2014	20. 4. 2015	B+, audited
Report for 2013	2. 4. 2014	B+, audited
Report 2012	2. 4. 2013	B+, audited
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 contains the Profile and Governance chapter, which describes the VUB Group's profile, identity, governance system, mission, values, and the Our Responsibility chapter, which focuses on responsible business 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 that 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 with respect to the objectives set in its business. 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 Community Responsibility, where there is a blending of information and data relating to the activities of the VUB Foundation. This has been chosen for activities that VUB Bank and its Foundation have jointly implemented and financed. An annex to the report is an overview prepared in accordance with GRI guidelines, which includes a disclosure, a management approach for all indicator categories and a list of performance indicators.

Compliance with Global Reporting Initiative guidelines

The report has been prepared according to the fourth version of the Sustainability Reporting Guidelines of the Global Reporting Initiative. The profile, management approach and 46 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 the 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.

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

Aware of the value of our activities and the services we bring to society based on its needs and on the basis of trust and respect for all clients, employees and shareholders, to create a sense of belonging among our employees and the community, and to compete in the marketplace with a sense of fair play and to promote sustainable growth and results.

VALUES

We provide our clients with banking and financial services at a high . At the same time, our services create and activate tools for the development of the economic system of Slovakia. 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 on page [v](#).

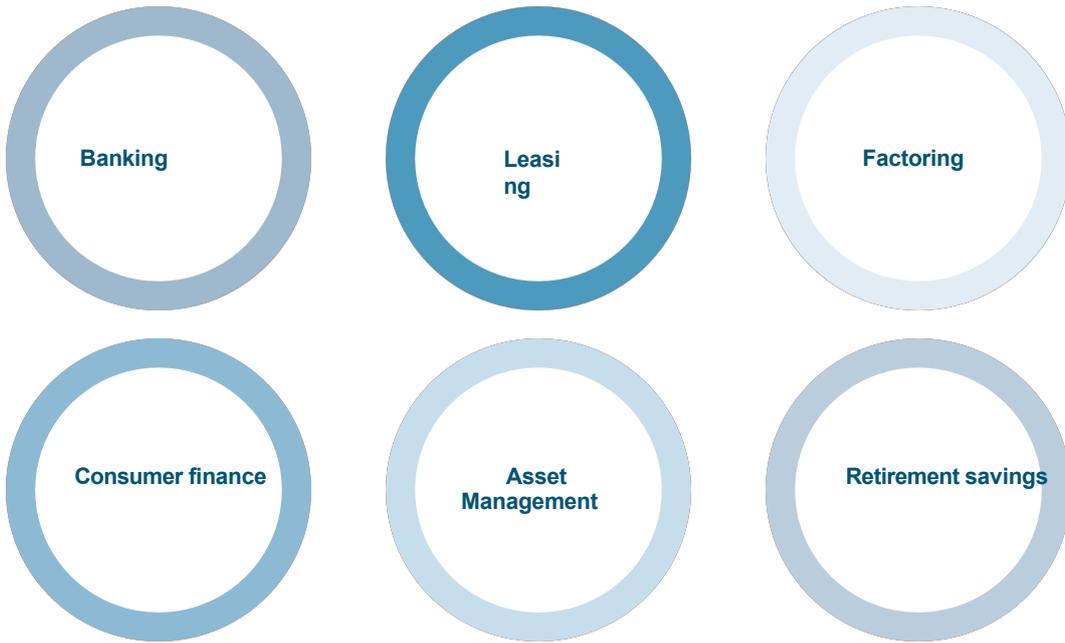
Company Profile

KEY INDICATORS

Economic	2015	2014	2013
Loans to clients in euros	8.8 billion	8.0 billion	7.4 billion
Customer deposits in euros	8.5 billion	7.9 billion	7.8 billion
Share capital in EUR million	430,82	430,82	430,82
Number of clients	1 202 804	1 227 856	1 245 229
Number of trading places	236	239	243
Percentage of local suppliers	90	90	90
Social			
Number of employees	3 456	3 493	3 485
- of which women	2 520	2 568	2 576
- of which with disabilities	42	37	35
Percentage of turnover	15,7	13,4	13,7
Number of injuries	4	3	2
Support to non-profit organisations (in thousands of euros)	200	238	234
Environmental			
Energy consumption per employee (kWh)	8 350	8 031	9 126
Paper consumption per employee (kg per year)	147	140	136
Water consumption per employee (litres per day)	32	14	37

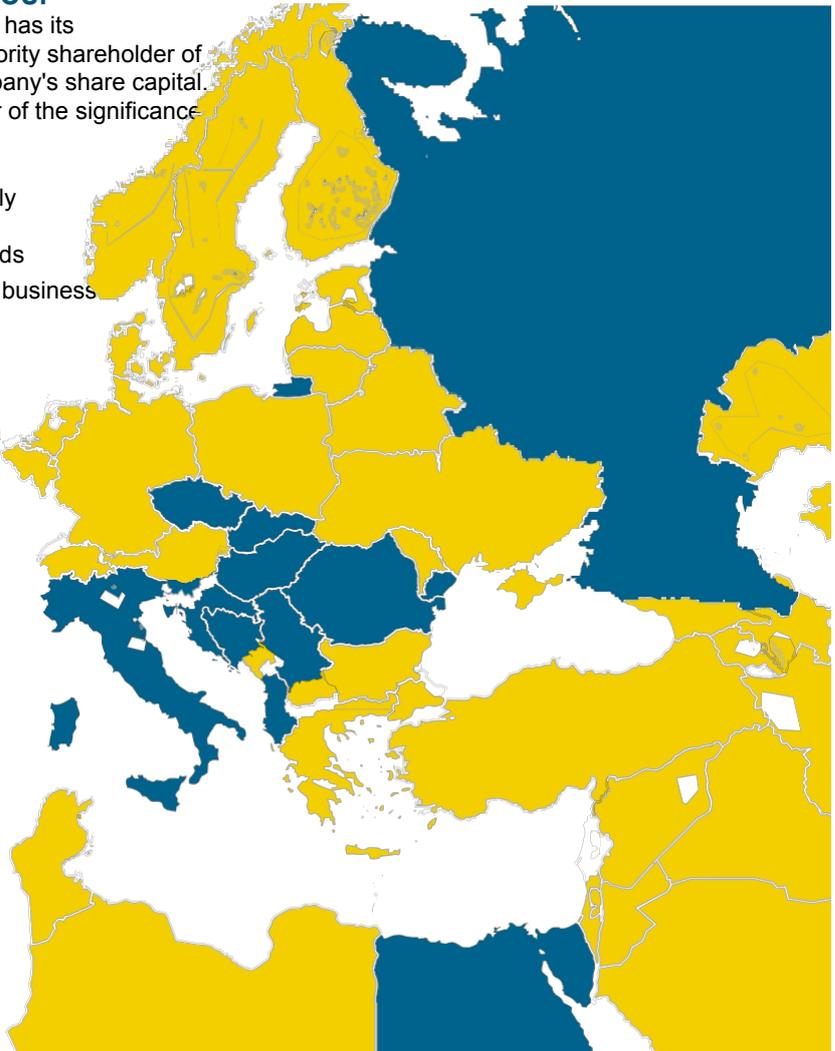
VUB Bank was established on 1 1990 by spinning off its commercial activities for corporate clients in the Slovak Republic from the State of Czechoslovakia. It is a public joint-stock company and operates in Slovakia and the Czech Republic. A turning point for our business was in 2001, when the majority stake in VÚB banka 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 of EUR 8.5 billion and loans of 8.8 billion. The bank currently has more than 1.2 million clients in its portfolio. In recent years, it has been one of the most profitable banks in Slovakia. The shareholder structure is presented in chapter Shareholders [v](#).

THE VÚB GROUP PROVIDES A WIDE RANGE OF SERVICES



ABOUT THE INTESA SANPAOLO GROUP

The Italian banking group Intesa Sanpaolo, has its headquarters in Turin and Milan, is the majority shareholder of VUB Bank with a 97.02% stake in the company's share capital. It was created in January 2007 by a merger of the significance of Italian banks, Banca Intesa and Sanpaolo IMI. The Group has a leading position in Italy and is one of the leading banks providing financial products and services to households and companies in Europe. It has a strategic business presence in the CEE region Europe and the . It operates through subsidiary banks in the following countries: Serbia, Croatia, Slovakia, Egypt, Hungary, Slovenia, Bosnia and Herzegovina, the Russian Federation and Romania ✓.



Intesa Sanpaolo's presence in the region

ECONOMIC INDICATORS

The Slovak economy did well in 2015. It exceeded expectations and the results of an already good 2014. GDP growth rose above three and a half per cent, the fastest in five years. Job growth rose above two per cent, bringing employment back to the pre-crisis levels of . Meanwhile, the unemployment rate has fallen to its lowest level in seven . Wages continued to grow at a solid , at close to three per cent, implying even higher real wage growth in a slightly deflationary environment.

Household confidence has improved with rising jobs, falling unemployment and rising wages, supporting further strengthening of demand for consumer goods and housing, which had been suppressed in the post-crisis period. Banks reacted positively to the improved household financial position, with household credit growth rising to almost thirteen per cent.

Importantly, lending to corporates finally started to grow in 2015, which was a welcome change after a continuous decline in lending to non-financial corporates since 2008. The investment activity of Slovak companies has increased dramatically, helped in particular by the intensive use of EU funds, which have been used mainly for the construction of motorways, modernisation of existing roads and bridge infrastructure.

Against this macroeconomic backdrop, VUB Bank did . We managed to achieve good results and exceeded the planned targets and the previous year's results in profitability and asset growth. We increased our net profit by more than 12% compared to 2014. In the business area, VUB managed to significantly increase its lending and deposit volumes. The Group's subsidiaries operating in the consumer finance, asset management and retirement savings markets also recorded positive results. Alongside strong growth, VUB was also able to steadily improve the quality of its loan portfolio, which is already the best in the market.

We continued to remain efficient in the area of costs, with operating costs up only 0. compared to last year. Our income-to-cost ratio was 43.6%, a relatively moderate level for a universal bank such as VUB with a wide branch network and well below the market level of 51.5%.

What is important, apart from quantitative indicators, is that last year we started the most important and necessary transformation to become a modern bank that provides excellent services to customers not only through our branch network, but also through digital channels. We launched a redesigned mobile banking app, introduced new and innovative tools such as mobile PIN, IBAN scanner, pay by phone number, fingerprint security verification and more. All these functionalities are highly appreciated by our clients.

MARKET SHARES

	k 31. 12. 2015	k 31. 12. 2014	k 31. 12. 2013
Total assets	17,7 %	17,6 %	18,6 %
Client deposits	16,7 %	16,8 %	17,6 %
Loans to clients	18,5 %	18,4 %	18,3 %
Mortgage loans	40,4 %	41,6 %	44,8 %
Branch network	18,1 %	18,7 %	19,4 %
Payment cards	24,4 %	25,8 %	27,3 %
ATMs	20,9 %	21,1 %	22,1 %
EFT POS terminals	16,3 %	18,2 %	22,2 %

The full results are published in VUB's Annual Report 2015 [v](#).

<i>Number of VUB Bank employees</i>	<i>k 31. 12.</i>
2015	3 456
2014	3 493
2013	3 485
2012	3 497

<i>Staff structure</i>	<i>k 31. 12. 2015</i>
Members of the Board of Directors	7
Managers	529
Non-managers	2 927

SUBSIDIARIES WITH A MAJORITY STAKE IN VÚB, A.S.**Consumer Finance Holding, a.s.**

Headquarters:	Hlavné nám. 12, 060 01 Kežmarok
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Shareholders:	VUB, a.s.
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Share of VUB, a.s.:	100 %
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<i>Main :</i>	<i>Provision of non-bank loans</i>
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VÚB Leasing, a.s.

Headquarters:	Mlynské nivy 1, 820 05 Bratislava
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Shareholders:	VUB, a.s.
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Share of VUB, a.s.:	100 %
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<i>Main :</i>	<i>Finance and operating leasing</i>
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VUB Factoring, a.s.

Headquarters:	Mlynské nivy 1, 829 90 Bratislava
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Shareholders:	VUB, a.s.
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Share of VUB, a.s.:	100 %
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<i>Main :</i>	<i>Execution of factoring and forfaiting transactions</i>
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EVALUATIONS

The safest bank in Slovakia

Every year, the financial magazine Global Finance prepares a list of the world's safest banks. The magazine based its rankings on the long-term credit ratings of Moody's, Standard & Poor's and Fitch and the total assets of each bank. The magazine named VUB as the safest bank in Slovakia, which has been among the safest financial institutions for the fifth year.

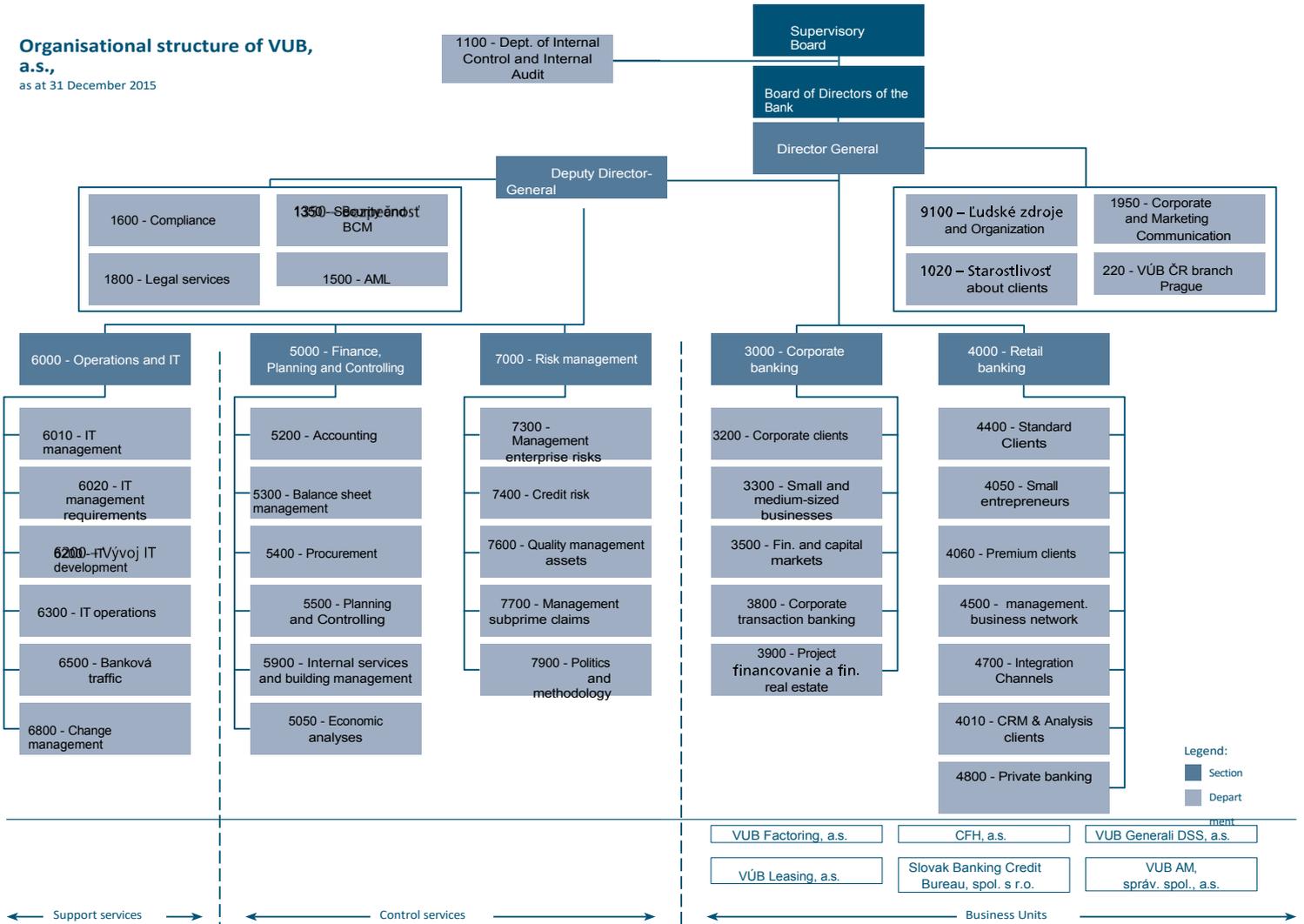
Euromoney Award for Best Private Banking

The prestigious financial magazine Euromoney regularly evaluates the level of service for private banking clients. VUB's private banking has a history of several years and has a very strong position on the market. In addition to the overall win, VUB succeeded in seven other categories (relationship management, privacy and security, enhancement, best service for clients with assets of 0.5 - 1 million EUR, best service for clients with assets of 0.5 - 1 million EUR, best service for clients with assets of 0.5 - 1 million EUR, best service for clients with assets of 0.5 - 1 million EUR). USD 5 million, best services for clients with assets of USD 1 - 10 million, best services for clients with assets of USD 1 - 10 million. USD, corporate advisory for private clients and specialised services).

Organisation and management

Organisational structure of VUB, a.s.,

as at 31 December 2015



GOVERNANCE

Like its parent company 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. This model ensures transparency and reduces the risk of conflicts of interest.

ORGANISATIONS OF THE BANK

The bodies of VUB, a.s. are:

- General Assembly,
- Supervisory Board,
- Board of Directors.

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 running and also to respond to shareholders' questions and suggestions. The Management Board is obliged to convene an Annual 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 law, an extraordinary general meeting may be convened.

SAFETY ADVICE

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. A member of the Supervisory Board may not be a member of the Management Board of VUB, a.s. and, with the exception of members of the Supervisory Board 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 these 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 a minimum of three and a maximum of seven 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.

MEMBERS OF THE SUPERVISORY BOARD IN 2015

Ezio Salvai	Chairman of the Supervisory Board (independent member)
Ignacio Jaquotot	Vice-Chairman of the Supervisory Board
Massimo Malagoli	Member of the Supervisory Board (until 10 October 2015)
Paolo Sarcinelli	Member of the Supervisory Board
Christian Schaack	Member of the Supervisory Board (independent)
Andrej Straka	Member of the Supervisory Board (employee representative)
Ján Gallo	Member of the Supervisory Board (employee representative)

COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board in accordance with the relevant provisions of the Banking Act No. 483/2001 Coll. 431/2002 Coll. as amended, and the relevant provisions of the Articles of Association of VUB, a.s., established the **Audit Committee**, the **Remuneration Committee** and the **Risk Management Committee**.

AUDIT COMMITTEE

The Audit Committee had five members, including the Chairman, at 31 December 2015. The Audit Committee met four times in 2015. The matters discussed by the Audit Committee mainly relate to: the preparation of the financial statements and compliance with specific regulations; the effectiveness of the Bank's internal control and risk management system; compliance with regulatory requirements; the audit of the individual financial statements and the audit of the consolidated financial statements. The Audit Committee shall further review and monitor the independence of the auditor, in particular the services provided by the auditor pursuant to a specific regulation; recommend for approval the auditor to carry out the audit for the Bank and set a deadline for the auditor to submit an affidavit of independence. The Audit Committee regularly invited Bank's external auditor to its meetings.

The control function at VUB, a.s. is performed by the Bank's Internal Control and Internal Audit Department, whose rights and duties, except those defined by law, are determined by the Supervisory Board. The recommendation and prior approval of the Supervisory Board shall be a condition for the appointment or dismissal of the Director of the Bank's Internal Control and Internal Audit Department, as well as for the determination of the remuneration attributable to this function. In 2015, the Supervisory Board invited the Chairman of the Audit Committee and the Director of the Bank's Internal Control and Internal Audit Department to its meetings.

REMUNERATION COMMITTEE

The Remuneration Committee has been operating at VUB Bank since July 2012. It has 3 members, all of whom are members of the Supervisory Board. The Committee meets at least once a year. Its main tasks are to independently assess the remuneration principles of selected functions (in accordance with the Banking Act) and their impact on risk management, own funds and liquidity; to prepare decisions regarding the remuneration of selected functions, including decisions affecting risk and risk management in the Bank, to be made by the VUB Management Board; to take into account the long-term interests of the Bank's shareholders, investors and other stakeholders when preparing these decisions; and to oversee the remuneration of selected functions.

RISK MANAGEMENT COMMITTEE

The Risk Management Committee was established by decision of the Supervisory Board in September 2015. It has 3 members, two of whom are members of the Supervisory Board. The Risk Management Committee is part of risk management primarily with supervisory, advisory and subordinate units, especially in monitoring the risk management system and risk management strategy and their implementation.

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 manages the activities of VUB, a.s. and decides on all matters of VUB, a.s., unless reserved by law or the Articles of Association to the competence of other bodies. In particular, the Board of Directors shall:

- a) executes the decisions of the General Assembly and the Supervisory Board,
- b) maintains the prescribed accounting and other records, books of business and other documents of VUB, a.s,
- c) maintains the issuer's register of securities,
- d) submitted to the General Meeting for after prior approval and on the recommendation of the Supervisory Board:
 - amendment of the Bank's Articles of Association,
 - proposals to increase and decrease the share capital and to issue bonds,
 - ordinary, extraordinary or consolidated financial statements,
 - proposals for the distribution of current or retained earnings from previous years and/or proposals for the reimbursement of outstanding losses from the current or previous years,
 - annual report,
- e) approves and periodically reviews the Bank's Remuneration Policy.

Members of the Management Board are elected and dismissed by the Supervisory Board. The Supervisory Board shall at the same time determine which of the members of the Management Board shall be the Chairman and, if a Vice-Chairman or Vice-Chairmen has been appointed, shall at the same time determine which of them shall be the Vice-Chairman or Vice-Chairmen of the Management Board. The terms and conditions of office of the members of the Company's Management Board are regulated in the Contract on the performance of the duties of a member of the Management Board in accordance with the relevant provisions of the Commercial Code, Act No. 483/2001 Coll. on Banks, the adopted Remuneration Principles and other relevant .

MEMBERS OF THE BOARD OF DIRECTORS IN 2015

Alexander Resch	Chairman of the Board of Directors and Chief Executive Officer
Elena Kohútiková	Member of the Board of Directors and Deputy CEO Antonio
Bergalio	Member of the Board of Directors and Senior Director of Finance, Planning and
Jozef Kausich	Member of the Board of Directors and Senior Director of Corporate
Controlling	Banking
Peter Magala	Member of the Board of Directors and Senior Director of Risk Management
Peter Novák	Member of the Board of Directors and Senior Director of Operations and IT
Martin Techman	Member of the Board of Directors and Senior Director of Retail Banking (since 1 March 2015)

The biographical data presented in the Annual Report 2015 [v](#) contains 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 practical experience, which guarantees effective management of the company in line with the Bank's economic, environmental and strategy. The Bank has adopted the Remuneration Policy of VUB, a.s. (the Remuneration Policy), which is in line with the Intesa Sanpaolo Group Remuneration Policy, Act No. 483/2001 on Banks and other relevant legislation. The objective of the Remuneration Policy is to prevent inappropriately risky behaviour, behaviour aimed achieving only short-term results and to manage potential conflicts of interest. It aims to align the individual objectives of the members of the Management Board with the long-term interests of the VUB Group. At the same time, the individual performance of each position is assessed through the achievement of Key Performance Indicators, which represent sustainability targets and economic, financial, operational or risk-adjusted indicators. The terms and conditions of the performance of the duties of the members of the Company's Board of Directors are regulated in the Contract on the performance of the duties of a member of the Board of Directors in accordance with the relevant provisions of the Commercial Code, Act No. 483/2001 Coll. on Banks, the adopted Remuneration Principles and other relevant legislation.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board of Directors establishes a number of specialised committees, mainly related to risk management, :

- Corporate Credit Committee,
- Asset and Liability Management Committee,
- Credit Risk Committee,
- Operational Risk Committee,
- New Introduction Committee,
- Project Portfolio Management Committee,
- the risk claims management committee and the watchlist.

INFORMATION DISCLOSURE AND TRANSPARENCY

1. The Bank applies strict rules on the protection of confidential information, maintains and regularly updates a list of persons with access to confidential information.
2. Information on management methods is published on VUB Bank's website in the "About VUB" section. Information for shareholders is published on VUB Bank's website in the section "Information for shareholders".
3. The members of the Management Board and the Supervisory Board have no personal interest in the Bank's business activities. The Bank strictly complies with the provisions of Act No. 483/2001 Coll. on Banks (hereinafter referred to as the "Banking Act"), as amended, regarding the provision of business to a person with a special relationship to the Bank. Pursuant to the Banking Act, the unanimous consent of all members of the Board of Directors is required for the conclusion of an active trade, based on a written analysis of the trade in question; the person to whom the trade is excluded from the decision-making process. The Bank shall not enter into transactions with persons having a special relationship with it which, by their nature, purpose or risk, would not be carried out with other customers.
4. The Bank complies with the Code of Corporate Governance in Slovakia as well as the rules of the Bratislava Stock Exchange, which regulate the disclosure of all material information. The Company's compliance with these regulations ensures that all shareholders and potential shareholders have access to information on the financial position, economic results, ownership and management of the Company, on the basis of which they can make informed investment decisions. The Slovak Corporate Governance Code is available on the website of the Central European Corporate Governance Association (CECGA), [V](#). The Stock Exchange Rules are available on the website of the Bratislava Stock Exchange, [V](#), under "BSE Rules".
5. The company actively supports constructive dialogue with institutional investors and ensures timely information of all shareholders about the General Meetings and announcements through its own website not only in Slovak but also in . This enables active participation of both foreign and domestic investors.
6. The Bank applies the changes resulting from Act No. 566/2001 Coll. on Securities and Investment Services and on Amendments and Supplements to Certain Acts (hereinafter referred to as the "Act"), in the European context of the so-called MiFID Directive (Markets in Financial Instruments Directive) and continues its activities aimed at investor protection and strengthening client confidence in the provision of investment services. The main objective of the MiFID Directive is to increase financial consumer protection in the field of investment services. The essence of the MiFID Directive lies in the categorisation of clients according to their knowledge and experience in the investment field in order to provide the client with the most appropriate level of protection, in the bank's obligation to act in the best interest of the client in the execution of its orders in relation to financial instruments (best execution), in the increased requirements for market transparency and for the organisation of the bank as a dealer to ensure internal controls and the avoidance of conflicts of interest.
7. The Bank continues to provide payment services under the Payment Services Directive (PSD). The aim of this law is, among other things, to provide the same high level of transparent information on payment services so that consumers can make business decisions and make purchases throughout the European Union. In the interests of transparency, it sets out harmonised requirements necessary to ensure that necessary and sufficient information is provided to users of payment services concerning the contract for the provision of payment services and payment transactions.
8. The Bank informs the investing public about transactions concluded with listed shares and bonds on an ongoing basis via the [V](#) website.

Our responsibility

Corporate responsibility milestones

YEAR 2007

- Principles of Corporate Responsibility included in the Business Plan
- the creation of a Corporate Responsibility Manager
- Issuing the first Corporate Responsibility Report
- Via Bona Award for Corporate Responsibility and Corporate Philanthropy in the Main Award for Large Enterprises category

YEAR 2008

- Establishment of a separate Corporate Social Responsibility unit and a bank-wide Corporate Responsibility Task Force
- release of the first Global Reporting Initiative Corporate Responsibility Report
- implementation of the corporate responsibility strategy at VUB under the responsibility of the parent company Intesa Sanpaolo
- staff training at all levels
- Via Bona Award for Responsible Business and Corporate Philanthropy for courage to support an innovative project

YEAR 2009

- adoption of corporate responsibility policies (VUB Environmental Policy, Intesa Sanpaolo Group Code of Conduct, Internal Code of Conduct, Donation Acceptance Policy)
- Internal communication of values, of Ethics, Internal Code of Conduct and Corporate Responsibility policies
- environmental e-learning and an internal environmental campaign
- Via Bona award for responsible business and corporate philanthropy in the responsible market performance category

YEAR 2010

- Adoption of the United Nations Global Compact
- Adoption of a policy of non-proliferation
- spreading awareness of corporate responsibility among VUB clients - the project "Corporate Responsibility Reports for SME Clients"
- Via Bona award in the category of the Main Prize for Large Enterprises

YEAR 2011

- adoption and implementation of the Equator Principles in project finance
- a satisfaction survey aimed specifically at female employees
- regular reporting of qualitative data on corporate responsibility to the parent bank

YEAR 2012

- measures to reconcile work and personal life resulting from the employee satisfaction survey
- Adoption of the VUB Code of Ethics and introduction of management of complaints of its breaches
- new principles of internal communication on corporate responsibility and philanthropy - intensive internal communication of corporate responsibility principles and results
- Adoption of an internal policy on Sustainability Rules for the organisation of events
- Implementation of the Whistle blower policy - reporting unethical behaviour(podnety@vub.sk ✓ andetickykodex@vub.sk ✓)
- new projects to engage employees and change management culture
- financial education for clients and the public through the website

YEAR 2013

- reporting on community investment according to the London Benchmarking Group methodology
- satisfaction survey for female employees on work-life balance
- National Winner of the European Business Awards in the Environment and Corporate Responsibility category
- 10th anniversary of the VUB Foundation - special grant programme for exceptional community projects
- Promoting employee volunteering in the new Hidden Heroes programme
- informing VUB employees about corporate responsibility through a new section on the intranet and educational materials

YEAR 2014

- Corporate Responsibility Beacon training for all bank employees
- preparation for the adoption of ISO 26 000
- training of CSR department staff in reporting according to the Global Reporting Initiative guidelines
- responsibility in the supply chain

YEAR 2015

- adoption and implementation of the international standard ISO 26 000
- a survey on the implementation of ethics and transparency in the bank
- information campaign for employees about the Bank's values
- preparation for G4 reporting and training of the Working Group on corporate responsibility

Targets and commitments for 2016

Area	Objectives and commitments	State of fulfilment
Clients	Improve service with the aim of becoming "the best bank for the client".	xxx
	Strengthen the dialogue with clients to ensure their maximum satisfaction. To get closer to clients and better understand their needs.	xxx
	To offer new solutions based on the client's knowledge. Relevant products and services, targeted service model and appropriate distribution channels.	xxx
	Modern banking. Focus on digital - mobile - paperless banking.	xxx
	Simplification of sales processes and service.	xxx
	Build a client and business specialist relationship. Partnership and Consulting- We understand business.	xxxx
	Educating clients on financial literacy.	xxx
	Build long-term and positive relationships with clients. Lifelong guidance in the world of finance, professional relationship and helpful advice.	xxx

Area	Objectives and commitments	State of fulfilment
Staff	Reduce bureaucracy and the number of internal rules.	xxx
	Strengthen employee motivation and improve benefit offers.	xxx
	Introduce mentoring at headquarters.	xxxx
	Dialogue with employees - survey employee satisfaction and satisfaction with training activities.	xxxx
	Improve the work-life balance of employees.	xxx
	Interdepartmental communication and collaboration within the bank - new rules for communication culture.	xxx
Suppliers	Establish processes to manage supplier relationships and assess supplier risk.	xxxx
	Increase the number of procurement cases processed through e-tendering.	xx
	Increase purchasing efficiency by reducing the number of forms and increasing their computerisation.	xxxx
Environment	Introducing energy-saving measures - replacing equipment that is classified in a better energy class.	xxx
	Membership of SKGBC - Green Buildings.	xxxx
	Installation of efficient MaR technologies - on heating systems to reduce gas consumption.	xx
	Electricity saving measures - lighting.	xxx
	Making waste separation more efficient.	xxx
Community	Develop a new grant programme focused on community projects	xxxx
	Sustainability of Foundation activities and programmes	xxxx
	More focus on regions - support for projects in economically weaker areas of Slovakia.	xxx
	Continue the established mechanism for providing assistance to individual applicants.	xxxx

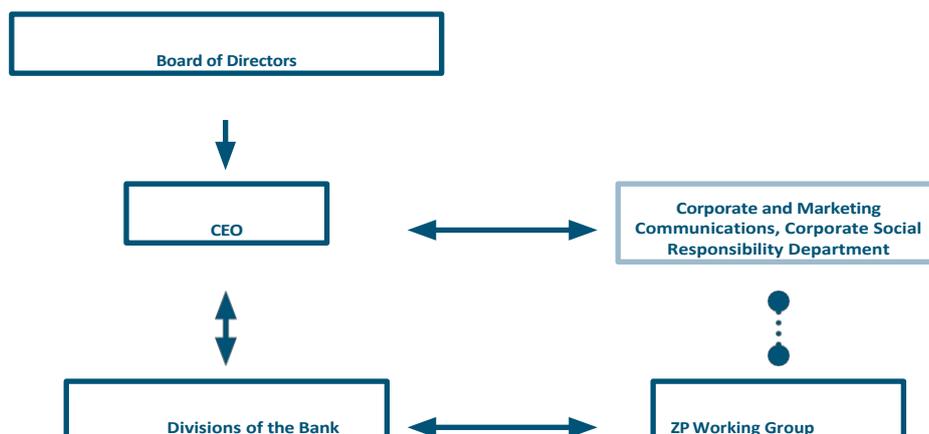
Legend: xxxx completed, project closed

partially completed or in preparation

xxx mostly completed, project not closed xx

x not met

Management model and strategy



CORPORATE SOCIAL RESPONSIBILITY DEPARTMENT

The department is included in the Bank's organisational structure as part of the Corporate and Marketing Department, which reports directly to the CEO. The department is headed by the 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 , 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 Responsibility Group is continuously working, to which representatives from each banking division have been nominated 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 responsibility report,
- 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 . Codes and policies relating to corporate responsibility are always approved by the Board of Directors, which has responsibility for performance in the economic, social and environmental areas.

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. This results in the implementation of common policies and principles of corporate responsibility.

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 in the following forms:

- 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 determine their satisfaction. The survey is based on the internationally recognised European Customer Satisfaction Index. 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 Code of Ethics. In 2015, all measures targeting the areas identified by employees as problematic in the last employee survey were implemented. 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 and meet with him at a regular breakfast meeting once a month. For more information see the Employees chapter.

Identification of community needs is ensured through meetings with community representatives, third sector, education and other entities conducted by the Social Accountability 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 measures 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 relationship with the Bank's partners in such a way that our relationship is evenly balanced to the satisfaction of both parties.

SPREADING THE PRINCIPLES OF RESPONSIBLE BUSINESS

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. In 2015, BLF focused on the topic of responsible supply chain and eco-efficiency.

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. This is a set of principles that has strategic significance for 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 systemic and organisational measures, including an internal audit control system.

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

During 2015, VUB Bank was not a party to any significant proceedings.

ETHICAL CODES

Don't lie. We repeatedly use this word, which could capture the essence of all the ethical codes to which VUB Bank has subscribed. Our efforts to provide clear and truthful information translate 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 on page [v](#).

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 and external regulations are in force:

- VUB Code of Ethics,
- Group Internal Code of Conduct,
- Environmental Policy,
- UN Global Compact,
- Equator Principles,
- The policy of not funding weapons,
- Acceptance Policy,
- Whistle Blower ,
- Relationship management policy with political parties and politically exposed persons, clients operating in the arms and risk , by clients from risk countries and transactions with risk countries in the VUB Group.

VUB Code of Ethics

The VUB Code of Ethics is based on the Intesa Sanpaolo Group Code of Ethics. The Code is one of the pillars of the corporate culture. It represents a framework of ethical and moral values, the observance of which is an essential 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. As a management tool and part of the Group's broader vision of social and environmental responsibility, the Code of Conduct attaches the utmost importance to relations with all stakeholders. An electronic version of the document is published at [v](#).

Group Internal Code of Conduct

The Code sets out the basic principles of conduct for the Bank's representatives, employees and external collaborators, who are obliged to perform their duties responsibly, honestly, fairly and professionally; to promote the interests of the Bank and the Group, as well as 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 geographical where Intesa Sanpaolo carries out its business, 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 of environmental management. The policy defines the VUB Group's approach to preventing, managing and, where possible, reducing direct and indirect environmental impacts generated by its business activities. 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.

Global Compact (UN Global Compact)

VUB is a signatory to Global Compact [v](#), a strategic initiative of the United Nations aimed at responsible business conduct. Globally, more than 5,000 companies from over 100 countries have joined the initiative. Through its activities, VUB has committed itself to supporting ten fundamental principles relating to 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 so-called Equator Principles [v](#). 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 the World Bank's environmental and social standards and 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. In 2015, VUB Bank provided financing for one small project that met the Equator Principles criteria.

Non-weapons financing policy

In accordance with the values and principles of the Code of Ethics, this Intesa Sanpaolo policy defines the prohibition of the financing and execution of transactions related to the import and export of weapons and weapons systems. Members of the Group may assist clients in transactions relating to existing intergovernmental agreements or other transactions for our native military, police or other armed forces of the State which may be considered as compatible with the spirit of the "unarmed bank", authorised by the competent Intesa Sanpaolo Group department.

Gift Acceptance Policy

This internal policy, which is based on VUB Bank's Code of Ethics, regulates the principles and restrictions on the behaviour of the Bank's representatives and employees when accepting unsolicited gifts. It also sets 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 exposed persons in order to maintain 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 ensure that VUB and its subsidiaries do not participate in the financing of activities and transactions related to the production of armaments-equipment as well as the 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 to be at risk within the VUB Group:

- exchange offices,
 - Credit Unions,
 - bars, nightclubs, casinos,
 - gaming rooms with more 3 slot machines,
 - security agencies,
 - sex shops and pornography distributors,
 - collection agencies,
 - brokerage companies,
 - bookmakers.
- managing client relationships and transactions to/from risky countries (country risk)

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

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. We publish and keep up to date a list of third parties to whom we have provided client data on page [V](#):

- List of VUB's intermediaries in the area of processing personal data of clients and persons to whom personal data constituting banking secrecy is disclosed,
- List of third parties and recipients to whom personal data of clients and data 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 Financial Instruments Directive (MiFID), implemented in the Securities Act. Our clients have documents available on the Bank [V](#) 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 providing 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 in order to guarantee the highest possible customer comfort when using payment services in practice

CLIENT PROTECTION IN FINANCIAL INTERMEDIATION

VUB Bank aligned its activities with the requirements of Act No. 186/2009 Coll. on financial intermediation and financial advisory services and on amendment and supplementation of 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 financial intermediation. We publish basic information on financial intermediation, the products that are the subject of it and the tied and subordinated financial agents with which VUB Bank cooperates on our website.

CLIENT PROTECTION IN CONSUMER LENDING

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

CONFLICT OF INTEREST 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. In the event that such a conflict arises, employees shall resolve it in favour of the Bank. Employees shall never use their association with the Bank to advance their personal interests or to 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 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 an employee or a person close to an 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, 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 Intesa Sanpaolo 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 the 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.

COMBATING 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 partner for the Financial Investigation Unit (FIU), which operatively reviews the signs of client behaviour reported by us, and also under constant 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 by detecting unusual business operations. To this end, 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 policy on laundering, as well as towards entities and countries at risk.

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, execution and co-ordination of activities related to the protection against the misuse of the Bank for the purposes of money laundering and terrorist financing, reporting directly to the Deputy General . 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 , thus 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 in particular. All Bank employees are informed about internal ethical standards and the zero tolerance principle and have access to basic information on the steps to be taken in the event of any suspicion of corruption or fraud. As the Bank has a keen interest in detecting corruption and fraud, it has implemented a whistle blower policy which allows any Bank employee to communicate suspicions anonymously.

The bank does not hide the detected cases of corruption and fraud from its employees, but on the contrary, it has decided to in-shape and educate its managers to continuously improve their work and eliminate shortcomings and mistakes in this area in the future. For this reason, the managers are informed of some of the cases that have in the past.

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

NON-DISCRIMINATION

At all levels and in relation to all its partners, VUB Bank adheres to the principles of non-discrimination, 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 [Employee v](#).

CORRUPTION AND FRAUDULENT PRACTICES

Clearly defined attitude and principles

VUB Bank meets and is committed to high moral and ethical standards based on clearly stated 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, 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 cases involving both employees and external consultants, suppliers, contractors and/or any other third party in a business relationship with this organisation.
- All employees must make their own decisions in accordance with the interests of the Bank. They must not act to gain 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 employees of the Bank are informed about the following principles:

- The Bank will not accept any form of fraudulent or corrupt behaviour, Therefore, each case will be thoroughly investigated and upon.
- 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 where there is a risk of corruption and fraud (e.g. verification decisions, 4 eyes control, access rights management, etc.). 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 reports directly to the Bank's Supervisory Board, not to the Management Board). One of its main tasks is to review the functionality of the internal control system, compliance with external and internal legislation, including the Bank's Code of Ethics, review of control system failures and suspected internal fraud.

In 2015, the Internal Audit and Internal Control Unit reviewed the internal control system in all corporate branches, in approximately half of the retail branches and also performed 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 the risk map prepared annually were also reviewed. Based on the risks identified in the individual audits, the Bank immediately took corrective action and set up regular monitoring of such areas and informed the relevant government authorities where necessary.

Clients

Clients are one of our most important partners and therefore they are at the centre of our attention and our priority. No matter whether the client is an individual or a large company, we treat everyone with the same responsible and professional approach.

The strategy in this area rests on three pillars:

- development of retail banking,
- development of the medium and small business segment,
- improving the quality of services, improving processes, innovating the bank's products and distribution channels.

The objectives are clear:

- to be the number choice for our clients,
- to be a strong, stable and secure bank,
- increase profitability in line with sustainability and responsibility.

OUR CLIENTS

At the end of 2015, VUB Bank had 1 202 804 clients (including the Prague branch).

	2015	2014	2013
Individual clients	1 192 207	1 216 568	1 233 767
Corporate clients	10 597	11 470	11 462
Total	1 202 804	1 228 038	1 245 229

INDIVIDUAL CLIENTS

Our focus is on retail banking, where we serve more than 1.2 million clients:

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

In many areas of banking for this clientele, we continue to establish a significant position.

Individual clients - breakdown by age

	2015	2014	2013
0 - 25	157 917	168 530	175 750
26 - 40	337 631	350 849	364 050
41 - 60	409 000	416 372	421 996
> 61	287 659	280 817	271 971

The average age of a VUB client in 2015 was 46.38 years, which is approximately the same as in the previous period.

Individual clients - average age

	2015	2014	2013
	46,38	45,89	45,42

The average length of a client's relationship with the bank in 2015 was 12.78 years, which is longer than in the previous period.

Individual clients - average length of business relationship

	2015	2014	2013
	12,78	12,07	11,39

Individual clients - breakdown by length of business relationship with the bank

	2015	2014	2013
Less than 1 year	67 119	75 823	85 886
2 - 4 years	125 455	141 365	149 467
5 - 7 years	143 077	154 210	171 070
8 - 10 years	145 815	163 182	159 321
Over 10 years	710 741	681 988	668 023

CORPORATE CLIENTS

at VUB Bank are corporate clients, who we provide our related services

Significant segment

with a professional and personal approach in 32 company branches across Slovakia. We use local knowledge combined with international know-how, which enables us to provide a range of attractive products and services. In addition, we offer products designed to contribute to sustainability. Our clients include:

- small and medium-sized enterprises,
- large companies,
- towns and villages,
- Farmers,
- communities of flat and non-residential premises owners (SVB) and owners of flats and non-residential premises managed by the Administrator

MUNICIPALITIES

VUB Bank is a strong and reliable partner also in the local government segment. By combining a professional approach and tailor-made offers from the Self-Government product line, we implement hundreds of projects for local governments. We participate to a large extent in co-financing projects supported by EU funds aimed at the development of infrastructure in cities, municipalities and regions. VUB Bank's bridging loan offers an optimal and flexible solution for all current EU funds programme calls, which are currently the predominant form of financing investment activities of local governments.

FINANCIAL AND CAPITAL MARKETS

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

The fact that in 2015 VUB Bank received several awards testifies to its good approach to clients and the building of long-term relationships based on trust and client satisfaction. An overview of these awards is presented in the introductory chapter of this report.

CLOSER TO CLIENTS**THE BUDDING NETWORK**

VUB Bank provides its products and services in Slovakia in the second largest network of retail branches. As of 31 December 2015, 237 outlets were available to customers.

Number of trading places

	2015	2014	2013
Retail branches	193	196	200
Mortgage centres	11	11	11
Corporate branches	32	32	32
Prague	1	1	1
Together	237	240	244

All branches of VUB Bank and their outlets are available to customers 5 days a week. At least one branch is open 7 days a week and 10 hours a day in each regional city. There were 19 such outlets (18 retail branches and 1 mortgage centre).

We strive to make our branches easily accessible for people with . All new outlets have wheelchair access and we make sure that when we refurbish older outlets, we make sure that such access is built in.

Number of branches with barrier-free access



CONTACT CENTRE

The Contact Centre provides services for all clients, whether in Slovakia or abroad, 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 carry out activities related to ensuring the security of clients' funds, whether it is the security of working with internet banking or security related to payment .

Since 2015, the CONTACT service is also available via mobile calls on the short number *0200. In case the client cannot remember the phone number or does not have it saved in his mobile phone, he can use the VUB code, i.e. 0200. Calls to this number are available from all mobile networks in Slovakia and in 2016 there will be an option to call it from landlines as well.

ATMS

VUB Bank ranks second in in the number of ATMs. As of 31 December 2015, VÚB banka had 572 ATMs.

Number of ATMs



In 2015, we expanded the number of ATMs with a deposit module. The so-called deposit machine allows customers to make cash deposits independently of the opening hours of the branch via ATMs in self-service zones. They are installed mainly in large shopping centres.

Year	2015	2014
Number of deposit machines	12	5

In addition, cash-in devices have been installed to take the cash, count it and check the authenticity of the notes. The processing of cash and the reconciliation of any differences takes place at a processing centre outside the branch. The advantage is that the client does not have to wait for the banknotes to be processed and verified at the branch cash desk. An alternative for merchants is a cash-in facility in a secure disposable container. This device also allows the insertion of small amounts of coins.

POS PAYMENT TERMINALS

In Slovakia and abroad, the number of payment terminals supporting contactless technology, which enables fast and secure payment for goods and services, is growing every year. In addition, VUB also allows additional services such as payment of invoices or recharging prepaid SIM cards of mobile operators on its terminals in agreement with selected merchants. In the whole year 2015, cardholders made transactions with a turnover of EUR 1 133 million at VUB Bank's payment terminals. The trend of shifting transactions away from the previously popular ATMs in favour of cashless payments made via payment terminals or via the Internet continues, where 66% of the total number of card transactions was made in 2015.

Coverage by contactless terminals of VUB Bank

Year	2015	2014	2013
Percentage of the number of VUB terminals	63	42	26

SAFETY

SECURITY AND DATA PROTECTION

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, especially information about business with the bank and balances, are subject to the bank's secrecy policy.

SECURITY IN BRANCHES

All branches of VUB Bank are equipped with CCTV 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.

DIGITAL SECURITY

VUB Bank is dedicated to education in the field of digital security and continuously strengthens its clients' awareness of the risks and fraud they may encounter in the online environment when making financial transactions. At the same time, it regularly issues security guides on how to protect oneself from fraudsters' attempts

ATM SECURITY

To increase security, anti-skimming protection is deployed on ATMs.

PAYMENT CARD SECURITY

The trend of paying by card on the Internet is constantly advancing and so is the threat of misuse. For this reason, we have developed and launched several security innovations for our clients in 2015

- **Internet limit** - Our clients have the possibility to set an internet limit through electronic banking services. MasterCard and VISA credit card holders can use a computer or mobile phone to
 - Not only can they block it, but they can also set a limit on it for payments to online merchants and change it repeatedly. Changing the limit is done immediately and free of charge. This measure provides clients with a higher level of security and minimises the possibility of misuse of the card on the Internet.
- **3-D Secure Protocol** - Internet shopping is the new trend. More and more people are visiting and using various eshops or online shopping. That's why in 2015 we brought our clients a solution to pay for their online purchases pay even more securely (when buying with VISA or MasterCard) and we have launched the 3D Secure security protocol.
 - **The 3-D Secure protocol** is a secure Internet payment that represents the most technologically advanced way to protect funds when paying by card over the Internet. The security lies in
 - in ensuring that the shopper's payment card details do not reach the merchant, but directly to their bank. The second advantage is that the payment itself is confirmed by the shopper with an additional security feature, either a one-time SMS code or a security code generated by the shopper via a Mobile Token/Token. This new online card payment process is not only more secure, but also does not involve any fees for VUB Bank customers.
- **Contactless cards** - VUB Bank's contactless cards were the best in nationwide security tests. Security company Nethemba tested the security of 23 contactless cards from seven different banks.
 - Cyber experts already warned in 2012 that sensitive data can be easily extracted from contactless cards without breaking ciphers, for example, reading the history of payments and withdrawals from ATMs. On the one hand experts wonder why the data is not encrypted, while banks reassure clients that the cards are secure. But the truth is that every second contactless payment card can reveal about its holder when and where he last shopped and how much money he spent there. In addition, the card also remembers data on ATM withdrawals. Sensitive data is neither encrypted nor encrypted, all you need to read it is a smartphone with NFC technology and an app that can be downloaded from Google Play. In Nethemba's test, four VUB Bank payment cards performed best. The hackers could not read the transaction history from any of them, only the card number and expiry date were stored there.

DIALOGUE WITH CUSTOMERS

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

CLIENT CARE AND COMPLAINT HANDLING

VUB Bank has a separate Department  to take care of clients and deal with their complaints. It is responsible for improving customer satisfaction, for which it uses direct feedback from customers, who can the bank through all available channels:

- in person, at any branch of the bank,
- by phone, via the CONTACT service (tel. no. 0850 123 000),
- in writing to the Client Care Department (Mlynské nivy 1, 829 90 Bratislava 25),
- via the online form.

Feedback from our clients can be both positive and negative. We are always pleased to receive compliments from our clients, which is why we have developed an initiative in the bank where we concentrate all positive feedback in one . We also send them directly to the employee , to their superiors and publish them on the company intranet as a model and motivation. However, not all suggestions from clients are positive. We register all complaints, claims and requests and respond to them in accordance with the applicable legislation. Many processes and internal settings within the bank have been changed based on the resolution and analysis of the less pleasant ones. Therefore, we are very grateful for any feedback from our clients. Despite the age of modern technology, more than 60% of clients still prefer to have personal contact in the branch.

Input channels for receiving stimuli

	2015*	%	2014*	%	2013*	%
Branch network (in person)	7 110	60,17	7 665	63,56	7 058	57,30
Contact centre (by phone)	4 138	35,02	3 862	32,03	4 694	38,10
Bank Head Office (in writing)	569	4,81	532	4,41	566	4,60

* not including applications

MEASURING CLIENT SATISFACTION

For the past few years, we have measured the Branch Customer Satisfaction Index, i.e. customer satisfaction with the branch, at VUB Bank 2× annually. This result was subsequently reflected in the salaries of branch employees. In 2015, we introduced a new way of measuring customer satisfaction, which was applied only to branches in the first phase, and in 2016 we will start measuring internal customer satisfaction as well.

COMPLAINT MANAGEMENT

The Client Care Department is a kind of funnel where all complaints, claims and suggestions from clients come together. These are recorded, their progress monitored and in many cases dealt with directly. The more challenging, complex and sensitive cases that cannot be resolved directly at the branch or through the Call Centre usually end up at the department.

In 2015, the number of complaints from clients decreased, indicating an improvement in service.

Number of complaints

	2015	2014	2013
	12 611	13 074	13 813

Some of our clients addressed their suggestions directly to the Banking Ombudsman of the Slovak Republic. In 2015, there were 19 such cases.

Number of complaints from VUB clients to the Banking Ombudsman of the Slovak Republic

	2015	2014	2013
	19	16	23

Roughly 12 000 complaints come to the Bank through official channels each year. The vast majority of complaints are related :

- credit , transfers or incorrectly charged fees, which is the result of the huge number of transactions that are carried out,
- suggestions of malfunctioning equipment.

At a minimum, complaints are about:

- staff behaviour and attitude,
- maintaining banking secrecy.

QUICK RESPONSE IS EXTREMELY IMPORTANT

We resolve a client's complaint in an average of 11 days. Many cases are resolved directly at the branch and another huge help to the Client Care team is their pendant in the Contact Centre, where we can answer any questions they may have straight away. More complex cases are dealt with at VUB Bank's head office and take longer to resolve. However, we always have to resolve the complaint and communicate the bank's position to the client within the statutory period. If it is a borderline transaction, the statutory deadline is longer. The average time for resolving complaints at VUB Bank in 2015 was 11.2 days, i.e. less than in previous years.

EVALUATING SUGGESTIONS AND PROPOSING SOLUTIONS

We not only deal with all suggestions from our clients, but also monitor and evaluate them. If we notice that the number of them is growing, we immediately "flash a light". We find out what's going on, if there's a flaw in the process and address it. Annually, the Client Care team manages to implement 40 - 50 improvements based on our clients' feedback.

COLLECTING FEEDBACK

Not only complaints, but also feedback from our clients is important to us. If we receive positive feedback, we are very happy about it. Usually clients call the contact centre to praise our colleagues. In the last year we've had about 50 positive responses, with up to 20 coming directly to the switchboard.

- **Staffino** - In the second half of 2015 we carried out a pilot operation of the Staffino mobile application. Staffino is an application for smart phones (it is also possible to leave feedback directly via the [V](#) page, through which clients leave feedback on our branches, employees and products. We respond to all such feedback within 24 hours (within working days), through which customers can send their opinion and experience with a particular person, operation or product. In Staffino's two-month pilot, clients left us 757 reviews and of those, 90% were positive. We will be going live 2016.
- **Client Day** - We also actively ask for feedback during Client Day. In 2015, we asked visitors how satisfied they were with the service and service, what recommendations for improvement they would give us, and of course, whether they would recommend VUB to other clients.
 - In September, we celebrate Client Day across the Intesa Sanpaolo International Group. Through various activities, we emphasise to our clients that they are important to us and that we value the trust they place in us as a bank. In addition to this, we asked them about their satisfaction with the bank, their willingness to recommend our bank, and the areas in which they expect to see improvements. The results were forwarded to the competent departments of the bank, which are working on product and service innovation. As part of the Clients' Day, members of the Bank's Board of Directors also welcomed our clients at the branches. Each client received a small gift and had the opportunity to talk directly to the branch manager.

QUALITY ASSESSMENT OF BRANCHES

Since 2006, we have introduced a system of branch remuneration based on strict quality parameters. These criteria, we do not look at the volume of products sold, but at parameters related to the quality of client service and the quality of sales, advice and qualified assistance to the client. This helps us to identify the problem areas of individual branches and to work on continuous improvement. Our goal is to identify the strengths and weaknesses of a branch, the way to increase the quality of a particular branch and therefore the growth of the number of satisfied clients.

We focus on three areas when assessing the quality of branches:

- quality of service,
- quality of sales,
- client satisfaction.

Quality assessment is carried out on a quarterly basis and quality is assessed through quality indicators. In total, we have set 10 quality indicators. The quality assessment is also linked to the subsequent awarding of the so-called **quality certificates**, which are awarded only to those branches that have achieved an excellent rating in all 3 areas, i.e. service, sales and customer satisfaction.

CLOSE

The Customer Care Department also coordinates the "good ideas" in the Zapni program, which come directly from employees and are aimed at improving both the employee and customer experience.

RESPONSIBLE PRODUCTS AND SERVICES

VUB Bank pays attention to the constant development of new products and their improvement. In doing so, it also thinks about weak, vulnerable or otherwise disadvantaged groups. Among the products developed especially for them are, for example, the *Senior Account*, the *Good Angel* charity card, discounted loans and accounts for students or the *Flexihypotéka for young people*. In 2015, VUB Bank brought the following responsible products and services to its customers:

PRODUCTS THAT HAVE WON PROFESSIONAL MASTERCARD

WORLD AWARDS

In 2015, VUB Bank brought to the market a unique premium credit that combines a useful companion a reliable assistant when shopping and a reliable helper when dealing with non-standard situations on the road and at home. Its uniqueness with benefits for the customer lies, for example, in the protection of goods purchased with the card (insurance in case of theft and accidental damage, extended warranty for purchased electronics), accident insurance (including insurance of accidents during winter sports in Slovakia) and insurance of the intervention of the Mountain Service in Slovakia, insurance of contactless payments in case of misuse, cash without a fee (VUB Bank's clients can withdraw money from ATMs anywhere in the world without a fee), additional cards for loved ones (up to 3 additional cards without a fee).

AMEX

The Blue card from American Express was awarded as the best credit card in Slovakia. American Express BLUE and GOLD have expanded their functionality and introduced new services that all their holders can use at any VUB ATM. For example, a free PIN change, finding out the balance on the account (without the need to print a receipt from the ATM) or topping up the credit of a mobile phone.

MODERN BANKING WITH VÚB

The point of innovation is to simplify the client's life and bring them services that will be useful.

CONTACTLESS TECHNOLOGY

In 2015, VUB Bank continued to issue cards with contactless technology, which increases the convenience and speed of payments. So far, the bank has issued almost 529,000 contactless for its clients.

Number of issued VUB Bank contactless cards

Year	2015	2014	2013
Number of contactless cards	677 286	528 981	428 604
% of total number of cards	52	41	33

VIRTUAL DEBIT CARD

The digitalization trend in Slovakia is progressing and we are following it by expanding our offer of cutting-edge and secure options. The VISA Inspire Mobile Payments card offers clients an innovative, fast and convenient way to pay for goods and services. It is a virtual debit payment card that is part of the **Wave2Pay** mobile application and allows the cardholder to make purchases of goods and services via their mobile phone. The Wave2pay application turned VUB clients' smartphones into credit and debit cards, allowing them to pay by simply putting their phone to the POS terminal reader. It's a fast, simple, modern and most importantly, secure payment method.

VUB Bank was the first bank in Slovakia and the second in Europe to use NFC technology with the placement of sensitive card data in the cloud for contactless payments. Payments via the mobile application are not tied to a mobile operator, the client does not need to change his SIM card. In the Wave2Pay mobile app, clients can search for transactions made, access their balance, view the daily limit usage as well as the daily number of transactions and geolocation of the transaction made, which allows the cardholder to see the location/address where the transaction was made.

PAYMENT STICKER

Customers of VUB Bank can pay by mobile phone even without NFC, or if their phone does not support this technology. All the client needs to do is to get a VISA Inspire Wave 2 Pay payment sticker, which he can stick on his smartphone or key ring and it to pay for goods and services wherever contactless payments are accepted.

DIRECT BANKING

The new version of internet and mobile banking is available for all types of mobile devices, whether it is a smartphone or a classic mobile phone with an internet browser, regardless of the type of operating system. It provides clients with a high user experience, modern design, new functionalities and interesting innovations. For example, it offers a graphical display of income and expenditure on accounts, a more detailed overview of mutual fund investments or information on payment cards. A customisable home page and more convenient controls have been added. A new feature is the possibility to apply for several products electronically, without visiting the bank: a loan, a mortgage, a time deposit or a savings account or an investment in funds. We have also been inspired by our clients' suggestions, and therefore the applications have a more modern design, are simpler and clearer. They also have new elements.

SKENER

We have made the transition to SEPA easier for our clients thanks to technology, so that they do not have to remember or carry the new 24-digit format of their account number with them. They can make full use of the IBAN scanner or the scanner for scanning QR codes on invoices and barcodes on cheques as part of VUB's mobile banking. The system automatically and error-free pre-fills the payment order.

ONLINE LENDING

In 2015, unique pro-client functionalities were added to the mobile application and internet banking, which allow clients to obtain a loan without waiting in the , from the comfort of their home, within a few :

- via mobile phone,
- via internet banking.

MAKING THE FINANCIAL BUDGET EVEN CLEARER

All customer transactions have been automatically classified into 10 bank payment categories since 1 January 2015 for greater insight into the customer's budget and finances. Clients can create 5 additional custom categories and also set limits that tell them in which month they spent more than they planned.

HELP LINE

If a client needs advice on digital products and services or help activating and using them, they can contact iPadvisors or watch video tutorials on a dedicated page.

FREE WIFI CONNECTION IN VUB BRANCHES

Since December 2015, VUB Bank has been allowing customers to use WIFI called "VUB" at 106 retail branches. Just click on "Connect" and clients can surf the internet while waiting for the equipment. Free of charge and without restrictions, of course. In addition, clients can download, install and try out various applications on the spot, and iProtectors will show them how digital banking at VUB works in practice.

FINANCIAL INCLUSION

PRODUCTS FOR SENIORS SENIOR

KONTO

The special product - a discounted package of services for recipients of pension benefits offers everything a pensioner normally needs for a current account: a free payment card, a discounted account maintenance fee, free payments at merchants with a payment card, Internet banking service, a regular statement of account - by post, free standing orders and direct debits.

YOUTH PRODUCTS

In 2015, VUB Bank offered several types of discounted products and services for young people.

- **Start Junior** - for primary school pupils 8 and above who are learning to manage their property. The pupil receives a payment for the account, but Internet Banking is set up only for the parent as the child's legal guardian. Bonus is a preferential interest rate on your balance.
- **VUB Student Account** - free of charge, for students 15 - 26. The student gets a payment card for the account, can make mobile payments (VISA Inspire Wave2Pay), make transactions via Internet banking and Mobile Banking and quick payments using the VUB VIAMO application directly to your phone number, and save regularly thanks to Flexisporenie.
- **VUB Account for the Young** - for young people who have already graduated from university and are 20-26. This enhanced account is a support for entering the working life. In addition to traditional functionalities, it offers a clear Internet banking with convenient access via computer, tablet or mobile, up to 5 savings accounts and regular savings (Flexisporenie).
- **A flexi-loan** is one of the ways students can finance their studies. In 2015, this facility was cancelled due to lack of interest from students, but at the end of Q1, the total volume of loans amounted to EUR 114 150.
- **Mortgage for young people** - a discounted, subsidised mortgage for young people up to 35 years of age who need to invest in the purchase, construction, reconstruction or modernisation of a property. The advantage of this product is a lower interest and the possibility of obtaining a higher loan. Those who earned an average gross income of up to EUR 1 153 were entitled to the interest rate advantage valid for the first five years after the mortgage was granted. The amount of the advantage is 3 %, of which 2 % is subsidised by the State and 1 % by the bank. In addition to the financial savings, the mortgage for young people allows repayments to be halved or principal repayments to be deferred for two years on the birth of a child. In 2015, almost 4 400 soft mortgages for young people were granted, amounting to more than EUR 270 million.

Mortgages for the young

Year	2015	2014
Volume of loans granted in EUR	271 723 487	220 000 000
Number of mortgages granted	4 389	4 000

SUPPORT FOR THE THIRD SECTOR

GOOD ANGEL

In 2015, the Maestro Good Angel debit card won the award for the best financial . Experts from among economic journalists, representatives of , economic servers, financial advisors and professional associations appreciated its charitable dimension - one percent of the payments made goes to the account of the non-profit organisation Dobrý Angjel, 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.

Number of VUB Bank contactless cards issued

Year	2015	2014	2013
Number of Good Angel cards issued	40 267	36 797	31 832
Contribution from VUB in euros (1% of payments made with clients' cards)	385 573	315 981	256 080

BUSINESS SUPPORT

Doing business in Slovakia is not at all easy, as almost every entrepreneur or sole trader will testify. You need some capital to start your business and if you have already started your business, you can easily become insolvent. The tax burden is high, it is sometimes difficult to get invoices paid, and if the purchase, renovation or modernisation of production facilities is added to the mix, the entrepreneur simply needs to borrow. Start-ups and sole traders have an even harder time when it comes to arranging a loan. They do not have their business up and running yet, they lack a stable income and they have to convince the bank that their business plan will be profitable in the future. VUB Bank therefore offers several types of loans that are designed for entrepreneurs and small businesses.

PROFI LOAN FOR START-UP ENTREPRENEURS

Profi Credit is a banking product designed primarily for small and medium-sized entrepreneurs and to support startups. It has a simplified approval process and submission of documents and is granted in the amount of a minimum of EUR 1 600 and a maximum of EUR 332 000. It is used to finance business needs without the need to prove the purpose of the money provided, requires a minimum amount of documents, the application is assessed within 24 hours of the submission of documents and the client has the option to choose repayment insurance. In 2015, VUB Bank granted Profi loans in the total amount of over EUR 125 million.

Year	2015	2014
Volume of loans granted in EUR	125 894 210	109 358 302

PROFI LOAN WITH FINANCIAL GUARANTEE

A non-purpose business loan that provides financing for a client's operating or investment needs. The minimum period of the applicant's business is not set as and the loan amount is from EUR 1 600 up to EUR 332 000.

PROFIHYPO CREDIT

The discounted business loan offers a solution to obtain funds of up to EUR 500 thousand with a repayment period of up to 15 years. It is intended for refinancing and financing of movable assets and can be special-purpose, interest-free or special-purpose for selected members of professional chambers (e.g. the Slovak Chamber of , the Slovak Medical Chamber) or as an investment in real estate intended for business (acquisition, construction, reconstruction) or for repayment of existing loans.

FLEXI CREDIT FOR FARMERS

The business of farming is different from other types of business, especially in terms of seasonality, receiving payments for goods, or support for various activities from European funds. It requires a special approach and products. The FLEXI loan for farmers meets the needs of farmers and serves to bridge the period between the need to finance the operating costs required to cover increased financial needs, especially at the time of harvesting and harvesting operations, and the payment of subsidies from the Agricultural Payments . The VUB allows farmers to pre-finance up to two subsidy periods until the end. This type of loan is also suitable for land financing, purchase of agricultural land for production purposes, financing of agrotechnics and technologies.

FLEXI FLOOR

It is an investment loan for the purchase of agricultural land, which farmers can use to purchase agricultural land with the advantage of flexible repayment methods, for example, always at the time of subsidy payments or the possibility of reimbursement.

SUPPORT FOR START-UPS

VUB Bank also supports start-ups and entrepreneurs in other ways than providing specific banking products or services. The most important forms of support are direct cooperation, the provision of know-how and the provision of grants or financial donations for education for start-up entrepreneurs. In , we focused on:

■ Impact HUB

Impact HUB is an international coworking platform focused on supporting innovative and socially pro great ideas. We supported promising startups in the form of the *Impact Incubator* project, which was organized by OZ HUBBA in the Impact HUB in Bratislava. Impact Incubator is an incubation and education program for startups, which aims to help them realize ideas on how to change the world for the better, turn entrepreneurial dreams into reality and get investors for them. The authors of the startups, in turn, helped to gain valuable know-how to make their projects more effective.

nenie business. Young entrepreneurs got the chance to learn from professionals how to turn an idea into a thriving business, create a sustainable business plan, get the basics in the field of legislation, marketing or accounting, for example. The submitted projects focused on socially responsible entrepreneurship in 5 categories (Education, Innovative Service, Innovative Product, Socially Beneficial Project and Green Technology).

■ Education for budding female entrepreneurs

In 2015, VUB Bank together with the monthly Evita organised the 7th edition of the VUB educational project Academy for Enterprising Women. Thanks to the help and support from VUB, the projects and business plans of young women have been given more realistic contours. Among the business ideas we selected for the academy were: an app for families with children, children's sports activities, healthy food and cosmetics, yoga for seniors, wedding management, and experiential stays. Participants had the opportunity to take advantage of lectures and workshops as well as individual consultations. They tried their hand at teamwork in setting up a business plan and presenting it to a panel of experts. The three days before ours helped the participants to uncover their potential for entrepreneurship, to realize their strengths through personal diagnostics, to get valuable advice on how to communicate towards the customer. The lecturers revealed tricks on how to create a proper business plan and there was no shortage of advice from marketing experts from the bank on how best to advertise. In addition to knowledge and experience, the most successful graduates also took home interesting prizes in the form of mentoring in the field of accounting, business plan, finance and membership in the Impact Hub.

INNOVATIVE PRODUCTS - CUSTOMER SERVICE

HYPOTHESIS

VUB Bank has long been a leader in housing lending. In 2015, it was once again, for the fourth time in a row, named the best bank in the field of real estate financing. The CIJ Awards Slovakia, awarded by the prestigious professional magazine Construction Investment Journal, is a confirmation of the highest quality of real estate financing for the bank.

VÚB ACCOUNT AND VÚB MAGNIFICA ACCOUNT

The behaviour of bank customers has changed significantly in recent years. Today, the use of e-banking services is a complete standard, account handling is moving from the computer to the mobile or tablet, and having a payment card for the bank is something that every client takes for granted. Clients today demand products that are enjoyable and to use. They want to know what they are paying for, but even more they need an answer to the question "what am I getting for it". That's why in 2015 we have developed a new benefit program that allows clients to save 50% or up to 100% on their monthly fee.

SPORENIE

Slovaks are aware of the importance of saving. Almost 60% of the population tries to save money, but only 15% of Slovaks manage to save regularly. A fifth of Slovaks say they are unable to save because of loan and debt repayments. In 2015, VUB Bank launched or innovated the following products:

- **Savings loan** - a soft loan aimed at saving. It is available as a no-purpose loan or as a refinancing loan. Upon regular repayment, VUB sends 8% of each monthly payment to the client's savings account.
Savings Loan repayments. For example, with a loan of seven thousand euros for eight years, the client can get back more than 1,000 euros.
- **Savings account** - is a non-term account in euros, which allows clients to quickly and easily deposit free funds at a more favourable interest rate than a classic current account.

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 as openly as possible about everything. We provide them with information about our products and services through:

- Staff,
- business places,
- information leaflets,
- brochures and guides,
- web pages,
- social networks.

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.

FINANCIAL EDUCATION

To increase the financial awareness of our clients, we have a **section on** our website dedicated to financial education. There, clients and non-clients can:

- 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.

INSTRUCTIONAL VIDEOS

In order to explain and facilitate the work with internet banking, we have prepared a series of short instructional videos in which we advise our clients how to deal with digital banking products and services. These are actually manuals in the form of one to two minute video tutorials with advice on how to proceed with individual tasks. They are posted on the , online media and on social.

The animated tutorials have been joined by live-action, humorous educational videos based on frequently asked questions and answers, such as

- Why don't they give the same interest as advertised?
- Why does the bank charge a fee for depositing or withdrawing money?
- I accidentally sent money to another account, did I lose it?
- I heard someone forgot money at the ATM, did they lose it already?
- It bothers me that I can't pay more than contactless.
- How do I compare the profitability of a loan, one has this interest rate and the other has that and then it's completely different.
- I'm afraid to use internet banking. They wrote about some phishing.
- What is IBAN, am I not going to have my account number anymore?
- I wanted to take out a 70 000€ mortgage and they only approved me for 56 000 €. I don't understand why.

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 associations. That is why our website has a **special section for professional associations**.

Continuous development, credibility, reliability and honesty are the core 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,
- other chambers with special offers.

Staff

ACHIEVEMENT OF 2015 TARGETS

Fulfilling the objectives	Status
<p>Routine operation and enhancements of the GPS application in the VUB Group</p> <p>In 2015, VUB Bank and its subsidiaries carried out a routine evaluation process in apli GPS. Systems based on the principles of measurement, simplicity and solidarity, applying consistency and consistency in the evaluation of staff performance, were complemented for headquarters management positions by a unified staff quality assessment scheme through a competency model. HR has implemented new steps in the process of evaluation and determination of remuneration of HQ staff in order to increase the transparency of the successive processes, the quality of the involvement of the different roles in the process involving quality preparation, implementation as well as follow-up processes in the determination of the specific amount of the annual remuneration of the staff member, a significant part of which is the result of an automatic linking of the calculation to the level of the overall evaluation achieved by the staff member.</p>	■
<p>Preparation of a new remuneration system in ROS in line with the retail strategy for 2016</p> <p>HR worked in cooperation with retail and controlling to adjust the remuneration scheme for employees of the retail business of the retail network with the aim of implementing a retail business strategy with a focus on shifting from quantity to quality, with a greater emphasis on:</p> <ul style="list-style-type: none"> ■ client satisfaction, ■ active products, ■ protection of the existing portfolio, ■ segmented approach, ■ , ■ flexible prioritisation. <p>The revised scheme also included a review of the basic settings (commission rates, target remuneration, scales, evaluation level, remuneration curve, frequency) with a neutral impact on personnel costs. The scheme was submitted to the Bank's Board of Directors and the trade union for approval as a model to be used in practice from 2016.</p>	□
<p>Intern and work</p> <p>In the past year, we've announced 10 areas to apply for as part of the Internship and Work Programme students. In total, approximately 150 students applied for the programme, from which 11 interns were selected. They received training in banking in general, but also got to know the bank's brand, its products and processes in . This year, we also focused on training and developing communication skills and assertiveness, and we also provided career counselling and internships for the trainees directly at our flagship branch. The interns worked for 4 months in the departments according to their respective areas. Several of them were employed at VUB after their internship, and we are continuing the training programme and cooperation with them. As this programme has been very successful, we will continue it in 2016.</p>	□
<p>Recruiting new staff</p> <p>In 2015, we made approximately 500 new . Management positions in the retail business network were in most cases filled by internal candidates, whom we are preparing for the role of manager in the programme "Manager's bench". This is a development programme aimed at identifying, developing and preparing future ROS managers from among the staff and managers of small branches. A total of 40 retired have been enrolled in this programme. We would like to continue with the "Manager's Bench" in 2016.</p>	□
<p>Staff outputs</p> <p>Staff outputs represent a 15.7% increase on the previous year (13.4%). Total 513 employees left, of whom 375 were women and 138 were men. In addition to external factors, we have tried to reduce turnover through other means:</p> <ul style="list-style-type: none"> ■ drawing up an adaptation plan for each staff member on joining, ■ regular meetings with new staff during their probationary and adaptation period, ■ conducting motivational interviews with employees after the adaptation period with the intention of obtaining feedback ■ improving the quality of recruitment tools for key positions, ■ greater emphasis on working with subordinates in the case of executive coaching, ■ a mentoring concept that improved and accelerated the preparation of newly recruited staff for future work. The concept also helped to move the departure rate of new recruits to within 3 months of joining, ■ Preventing staffing problems through HR partners in the regions and at headquarters, ■ conducting exit interviews, finding out the reasons for departures and following up on this information, ■ the introduction of an electronic way of recording and evaluating the reasons for absenteeism, which will enable us to process the information obtained in a better and clearer way and also to work on eliminating them. 	□

Fulfilling the objectives	Status
s	

EvCa internal database ■

In order to streamline the management of human potential and improve the building of our internal candidate database, we have introduced an internal database of candidates "EvCa" (**Evidence of Candidates**). We believe it will make the recruitment process even more efficient and improve communication with candidates. At the same time, we have ensured a better control over the received consents for the processing of personal data from candidates within the PDPA project.

Stabilisation and incentive programme ■

In 2015, we continued to nominate Bank employees to the Key Employee Programme with the aim of maintaining to achieve the desired level of turnover of this category of staff. For employees in each category (talent, key employees and successors), a specific programme was prepared according to individual motivators, focusing in particular on the competitiveness of their remuneration and specific training programmes.

In addition to this programme, we have set up a multi-stage employee selection process to reduce turnover, which includes a detailed investigation of candidates' motivations for working and we have set up internal assessment centres.

Cooperation with sheltered workshops □

In our bank, we purposefully support the functioning of sheltered workshops by purchasing their products and services. During the year 2015, the total amount was more than EUR 60 600. This amount represents:

- purchase of gift items,
- Printing services (bank logo on promotional items),
- catering for some events organised by VUB.

Invested finances are perceived as added value for the bank, clients and employees at the same time. It is an opportunity to link social responsibility and the day-to-day business of the bank.

Electronic feedback □

As the newly introduced training feedback form proved to be a success for the bank, in 2015 we successfully continued. The electronic questionnaire is very easy to complete and time-saving. It focuses on the following areas:

- preparation before training (do I know why I am going to training?),
- Feedback on the quality of the training and the trainer (overall satisfaction),
- sharing information with colleagues (promoting team),
- space for knowledge application (use in).

On the basis of electronic feedback, we obtain data for the evaluation of supplier quality, we can better plan training for the next period, we support the implementation of knowledge and sharing, we monitor the effective use of the number. Last but not least, by eliminating paper questionnaires, we contribute to saving the environment.

In 2016, we will implement the new VUB Academy education portal, which will provide easy and transparent access to information about education, registration for educational activities and enable several new functionalities, such as the introduction of a credit system in the adaptation training of new employees. Electronic feedback will continue through the portal.

HR system replacement ■

In 2015, a key project of the Human Resources department was the replacement of the Odyssey system with the new EGJE system. As a result was the successful deployment of the new system into live operation from 1 2016. The new feature is the introduction of an electronic attendance system, which aims to facilitate the daily recording of attendance by the bank's employees as well as its approval at the end of the month by their supervisors. It represents a significant saving of office paper. It also results in simplification of downstream processes (, ordering of meal tickets, reporting).

Activity started and completed in 2015 ■

Activity started in 2015 and continuing in 2016 □

STAFF STRUCTURE

Staff structure by type of employment contract

	2015	%	2014	%	2013	%
Indefinite period	2 916	84,38	2 952	84,51	2 949	84,62
Specific time	540	15,63	541	15,49	536	15,38

Staff structure by type of full-time equivalent

	2015	%	2014	%	2013	%
Full time	3 435	99,39	3 482	99,69	3 473	99,66
Part-time	21	0,61	11	0,31	12	0,34

Staff structure by job type and gender

	%
Senior managers	1,71
Men	1,33
Women	0,38
Middle and junior managers	13,6
Men	4,8
Women	8,8
Administrative staff	84,69
Men	20,95
Women	63,74

Structure of branch staff by category and gender

	%
Management staff	6,39
Men	1,56
Women	4,83
Family bankers	36,66
Men	5,61
Women	31,05
Other	9,32
Men	0,46
Women	8,85

Staff structure by age

	%
Less than 30 years	22,57
31 - 50 years old	61,57
50 years and more	15,86

Staff structure by education and gender

	%
Higher education	58,05
Men	18,31
Women	39,74
Secondary education	41,26
Men	6,35
Women	34,92
Other	0,69
Men	0,25
Women	0,43

Average length of working relationship in years

	Men	Women	Total
2015	8,69	11,14	10,45
2014	8,59	11,36	10,55
2013	8,32	11,09	10,37
2012	7,93	10,82	10,05

Employee structure by region and gender

	Men	Women	Total
Bratislava	625	961	1 586
Banskobystrický	58	292	350
Košice	49	200	249
Nitriansky	37	209	246
Prešovský	45	248	293
Trenciansky	45	181	226
Tmava	34	196	230
Žilina	43	233	276
Total	936	2 520	3 456

Staff structure by nationality

	Men	Women	Total
Slovakia	929	2 517	3 446
Czech Republic	6	3	9
Italy	1	0	1
Total	936	2 520	3 456

Staff on parental leave

Number of employees entitled to and taking parental leave	374
Men	2
Women	372

STAFF OUTPUTS

Staff outputs represent an increase of 15.7% compared to the previous year (13.4%). A total of 513 employees left, of which 375 were female and 138 were male. 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 periods,
- ongoing motivational interviews with employees after the adaptation period with the intention of obtaining feedback (it is also a source of finding out about 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),
- when coaching managers, we place even more emphasis on their work with subordinates (especially with newly recruited colleagues),
- introducing a new mentoring concept that improved and accelerated the preparation of newly recruited staff for their future work,
- The new mentoring has also shifted the attrition rate of new recruits to 3 months after joining,
- preventive management of staffing problems through HR Relationship Managers in the regions and at headquarters,
- conducting exit interviews, identifying reasons for departures and following up on those reasons.

Outcomes by age and gender		%
Total	283	100
Men	78	27,56
Women	205	72,44
<= 30	107	37,81
31 - 50	143	50,53
> 50	33	11,66

Outputs by region	Men	Women	Total
Bratislava	5	21	26
Banskobystrický	51	75	126
Košice	6	12	18
Nitriansky	3	17	20
Prešovský	2	28	30
Trenciansky	4	20	24
Trnava	2	19	21
Žilina	5	13	18
Total sum	78	205	283

RECRUITMENT OF NEW STAFF

The rules we follow when recruiting and hiring new employees are based on an assessment of individual knowledge, skills and personal qualities relevant to the vacant position being filled. We adhere to the principles of impartiality and avoid favouritism, abuse or discrimination. For job seekers, we have a **"Careers"** section on our website [v](#) with an up-to-date overview of vacancies. Using an electronic questionnaire, candidates can apply for vacancies and send their CVs.

One of the most important sources for filling vacant positions is VUBs own employee base through internal selection procedures. 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 they are also a challenge for internal to grasp a chance in career growth. Successful candidates will undergo a standard adaptation period to enable them to better manage the onboarding process and learn their new position.

In the previous year, we continued our **"Find Your Colleague"** activity across Slovakia, which aims to involve our employees in finding and recommending candidates for vacant positions. For all proposed candidates, we considered their suitability for the position. The best of the best went through a standard selection process. After six months and subsequently after one year of employment, an incentive bonus is paid to the employee. For university students, we offer the opportunity to be employed within the framework of the **"Internship and Work"** programme.

Recruitment in 2015	
Total	475
Men	150
Women	325

Recruitment by gender and age		%
Total		100
Men		31,58
Women		68,42
<= 30		57,89
31 - 50		38,74
> 50		3,37

Recruitment by region	Men	Women	Total
Banskobystrický	9	28	37
Bratislava	109	153	262
Košice	5	19	24
Nitriansky	5	22	27
Prešovský	2	28	30
Trenciansky	5	28	33
Tmava	7	21	28
Žilina	8	26	34
Total sum	150	325	475

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 express their individuality and creativity at work to the best of their abilities, and we also encourage innovation. Professional development and employee growth is covered by a **performance and development management system** that aims to:

- to create conditions for the individual development of employees and to 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 in remuneration.

We enable employees to develop their careers 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 job. Adaptive training starts at the beginning, followed by training according to the type of position, the required knowledge and skills to fulfill the tasks.

An important part of the performance and development management system is the appraisal process. In the past year, we continued the GPS (Global Performance System) evaluation system, which is common to all Intesa Sanpaolo Group subsidiaries. Its main task is to evaluate the employee's objectives and to plan key tasks and targets under the Bank's losing strategy for the next period. Every year, all employees are evaluated by their direct supervisor depending on their job position and classification. The employee 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.

Number of promotions by sex	2015
Total	42
Men	16
Women	26
Percentage of staff promoted	1,21 %

REWARDING

The remuneration system at VUB is based on the principles of transparency, fairness and motivation. It is set up in such a way that we as a bank are competitive on the labour market and at the same time attractive for our employees. Our task is to monitor and respond 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, descriptions, the "size" of each position across the bank measured on the of:

- the complexity of the work,
- impact on the company's results,
- core business and support,
- working with confidential information,
- 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, its 'size', complexity and long-term performance. The variable component is proportional to the employee's performance 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 and individual performance is evaluated by a remuneration committee composed of the , the Deputy CEO for Support, the Senior Director of Finance, Planning and Controlling and the Senior Director of Human Resources. The Commission also approves the results of annual appraisals, variable pay components and adjustments to base salaries.

Staff who are evaluated annually	Number of	%
Men	936	27,08
Women	2 520	72,92
Total	3 456	100

BENEFITS

The Bank provides a wide range of benefits (i.e. financial and non-financial benefits) to all employees, regardless of their job title. VUB fully covers meal allowances and provides financial assistance for employees who find themselves in a difficult life . Employees of the retail network with daily client contact receive a clothing allowance. The largest amount of money spent on employee benefits is the contribution to supplementary pension savings, with an employee/employer ratio of 1:1. Employees can also take advantage of certain discounted banking products, such as free current account maintenance, discounted rates on term , consumer or mortgage loans at preferential interest rates or discounted insurance rates. Transport allowance is also part of the benefits. Among other things, each year we focus on supporting the families of our employees, as evidenced, for example, by the allowance, the popular International Children's Day gifts or the summer camp allowance. In 2015, we also continued our strategy of looking after the health of our employees and finding a work-life balance. We provide an allowance for a preventive check-up, a day of paid time off before a wedding, time off to send off a freshman or a day off for new dads. Employees are informed about the current benefits on offer mainly via the intranet and through many other communication channels.

We involve employees in activities that may not be directly related to their job duties or job description. Thanks to the internal My Company programme, there is a space for recognition and presentation of various employee activities, such as blood donation, counselling for high school and university students or volunteering.

The Bank caters to employees through a number of measures to promote a more effective balance. These measures include flexible working hours (start optional between 7.00 - 9.00 a.m. and end between 4.00 - 7.00 p.m.), four days off per year for care beyond the statutory holiday entitlement. Single employees caring for a child under the age of 15 (up to the of 26 in the case of looked after children) and women from the fourth month of pregnancy onwards are allowed to take two extra days of leave per year by the Bank.

Overview of employee benefits provided in 2015:

- Pillar III pension/DDS,
- food allowance from the social fund,
- leave with pay in excess of the Code,
- transport allowance,
- clothing allowance,
- work anniversary reward,
- other benefits,
- social contributions,
- recruitment allowance,
- childcare for employees' children,
- care for the health of employees.

Amounts spent on employee benefits in 2015 (EUR thousand)	
Insurance and accident contracts	100,00
Work anniversary allowance	292,05
Allowances for children/students	0
Cultural and recreational activities	153,34
Allowances for disabled children	0
Discounted products for employees	
Mortgages (number)	518
Total mortgages disbursed (in thousands EUR)	36 249
Loans (number)	1 004
Total loans disbursed (in thousands EUR)	7 946

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 bank's needs and personal development. Specific educational requirements are addressed according to individual needs in cooperation with external educational organisations in the Slovak Republic and abroad in the form of internships or participation in selected educational activities. **VUB Academy's** own training centre organises professional, corporate and personal courses. The Academy prepares professional and skilled employees, supports the continuous development of employees and their careers, motivates and stabilises employees. In the **AMOS** e-learning system, employees can browse the catalogue of training activities and take initiative in their development and career growth. Courses and tests are available at any time and can be repeated several times. The app contains courses on current topics, training on individual workflows, freely available tests relevant to the position or product, and a variety of training courses.

In 2015, we conducted an average of 6 training days per 1 VUB employee in the form of classroom training and 2 days in the form of .

Education by category and gender	Average number of hours
Senior managers	26
Men	24
Women	2
Middle and junior managers	172
Men	93
Women	78
Administrative staff	99
Men	48
Women	51
Education by type	
Classroom education (% of hours)	70
Distance learning (% of hours)	30
Number of participants	3 757
Total hours of training provided (classroom and distance)	245 207
Number of training hours per employee	65

Education by content	%
Managerial	12,26
Business	19,58
Operational	10,72
Credit	11,92
Financial	15,31
Special	20,80
IT	6,06
Language	3,35

Traditionally, we organise a **"Welcome Day"** for new employees, which takes place every month. The aim is to get a basic overview of the bank - information about the bank's history, the Intesa Sanpaolo Group, its market position, its portfolio of products and services, the company's structure, as well as about employee rights, benefits and entitlements.

Another activity we use to nurture our own professionals is the **Mentoring Program** in the retail business network. Mentors are employees in senior positions who pass on their practical experience to younger colleagues, mostly newly recruited employees or employees returning from maternity or parental leave. The aim is to facilitate adaptation to the .

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 2015, we received **125** suggestions for improving processes in the bank, **7** of which were put into . Since the launch of the programme, **144 good ideas** have been put into practice.

EMPLOYEE SURVEY

Based on the anonymous employee survey from 2014 and subsequent focus groups, areas for improvement were suggested and implemented in 2015.

Priority	Action steps Implementation	
Financial motivation of employees	Review the setting of the basic rules of the remuneration system (e.g. the basis for calculating remuneration, eligibility for remuneration, preparation of the remuneration budget, etc., in order to simplify and increase transparency of the rules). Publish banking KPIs for 2015 as soon as possible.	✓
Benefits - VUB products	All product changes should also be reviewed in terms of benefits to employees. Establish rules for employee mortgage refinancing.	✓
Work-life balance	Prepare the concept of working from home "Home Office" and implement the pilot.	In the process
Bureaucracy	Each department will deliver at least 1 proposal in 2015 to reduce "paperwork" in the bank Reduce internal regulations.	✓ ✓
	Establish a telephone counselling service for at the head office.	✓
	Set new rules for a culture of communication (thank you and).	✓
Communication and cooperation	Introduce new forms to promote cooperation and trust (informal meetings outside the bank, voluntary joint trips with family). Enable social networks (Facebook, Linked In) in VUB.	In the process ✓
	Prepare and implement mentoring at headquarters.	In the process

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 under the employment. In 2015, 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. Differentiation of employees according to job qualifications and performance is not considered discrimination.

The majority of our employees are women - in 2015, 73% of the bank's 3,456 employees were women. This disproportion in favour of women arises mainly in the branches of the retail business, where women predominantly work. One woman served on the bank's board of directors. In managerial positions, the representation of women is 60%. The number of employees with disabilities increased to 42 in the year.

The indicator relating to violations of indigenous peoples' rights is not relevant given the geographic location of our business.

HEALTH PROTECTION AT WORK

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 included in internal regulations and the Collective Agreement. The rights of all employees in this respect are also represented by trade union representatives. Pursuant to Section 20 of Act No. 124/2006 Coll. on Occupational Safety and Health (OSH), the Bank appoints a Chief Occupational Safety Committee. It consists of seven members: 4 representatives of employees (trade unionists) and 3 representatives of the employer. In addition to the main committee, regional OSH co-missions are appointed for each region to carry out regular annual comprehensive OSH inspections. The regional commission is of at least four members: an employee representative, two employer representatives (a regional majetku management technician and a manager) and an OSH technician. The total number of OSH committee members is 260, 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.

Every new employee on joining the company undergoes an initial familiarisation of employees in accordance with Act No. 124/2006 Coll. on Occupational Safety and Health and on Amendments and Supplements to Certain Acts. Periodic familiarisation with occupational health and safety within the meaning of the aforementioned legislation and the Bank's internal regulations shall be completed by all Bank employees every two years in electronic form. The Bank also provides training for employee safety representatives (from borari) and a first course. OSH activities (comprehensive 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 when the Collective Agreement is evaluated. Training and advice on employees is provided by an external company's OSH technicians.

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. The health service, first training, workplace supervision and preventive medical examinations in relation to the type of work carried out are provided by an external company. The Bank shall ensure safe and healthy working conditions and provide personal protective equipment in areas where is handled and in areas where work of a technological is carried out. Where a staff member uses a company car, he shall be obliged to undergo a driving test every 2 years.

The nature of our business raises the possibility that employees could be exposed to a situation, e.g. a branch collapse. In these rare cases, they are provided with professional psychological support and are entitled to 5 working days off work to recover. In 2015, we recorded 2 such cases.

Despite the measures described above implemented in the framework of training on occupational safety, prevention and risk control, we recorded 4 registered work accidents in 2015. We did not record any serious work-related accidents or occupational diseases.

Health and safety

Number of occupational disease claims submitted	0
Number of registered injuries	4
Number of serious injuries	0
Death in the workplace with final assessment	0

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Freedom of association and collective bargaining is exercised in accordance with the Labour Code, the Law on Collective Bargaining 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 of employees to freely organise in trade unions and to bargain collectively in accordance with generally binding . The collective agreement is concluded for a period of three 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, irrespective of their membership in a trade union . The provisions of the Collective Agreement shall take precedence over the Bank's internal regulations to the extent of the obligations entered into in the Collective Agreement.

Trade union leave

Percentage of employees in trade unions	18,25
Percentage of employees covered by a collective agreement	100
Number of days absent due to union activities (total time off granted to union organisers)	500
Number of days absent due to meetings	43

NOTIFICATION OBLIGATION

The Labour Code imposes an information obligation on the employer towards the employee representatives in relation to the economic and financial situation and the expected development of the business. Information is defined as 'in a comprehensible manner and at an appropriate time'. Under the Labour Code, the employer is obliged to discuss with the employees' representatives in advance any substantial changes concerning, inter alia, the state, structure and expected development of employment. 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 the best performance from our employees, we need to regularly inform them about what is happening, why and where the company is going, and where each of them is in this fulfillment. 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.

The corporate intranet is built as a key and most effective tool for internal communication, with the employees themselves involved in the content creation. Each piece of information on the intranet has its own owner, so employees know who to at any time if they need to. Overall, approximately 5 % of all staff from the various departments are responsible for the content. When internal communication is set up well, it is all about getting the message across. Dialogue and two-way communication is needed in a company if people are to understand what, why and how things are happening in the company. Employees therefore always have the opportunity to ask questions of the CEO via the intranet form, to comment on topics that are important to the bank and to the employee, e.g. the benefits system, the form and content of the intranet and the internal magazine. We conduct evaluations and surveys of internal communication channels regularly on an annual .

ACTIVE INVOLVEMENT OF EMPLOYEES IN THE LIFE OF THE BANK

Internal campaigns were designed to motivate employees to be actively involved and interactive on each topic. We launch campaigns inside VUB on a monthly basis, each time with a new topic relevant to the period. We use all channels of internal communication, including posters, intranet, newsletter, personal emails and screensavers on computers, to promote brand perception, values and, of course, business. **The VUB CUP** sports and training event was aimed at promoting team spirit and informal relationships. 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 traditional Christmas meetings in Košice, Banská Bystrica and Bratislava so that all employees could participate. In order to promote the achievement of business goals, motivation and competitiveness, the **VUB Superliga** employee competition continued in 2015.

ACTIONERS

Bank shareholders and their structure

SHARE CAPITAL AND SHARES OF VÚB, A.S.

The share capital of **430,819,063.81€** 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 (hereinafter referred to as the "Stock Exchange" or the "BSE") 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 under **securities/markets, listed market and issue details 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 1991. The number of shareholders has declined from the original 80,000 shareholders to the current almost 30,000 shareholders. The majority shareholder is the Italian banking group Intesa Sanpaolo, which joined VUB, a.s. in . The shareholder structure is detailed below.

SHAREHOLDER STRUCTURE OF VÚB, A.S.

Information on the Bank's shareholders is published quarterly, within 30 days of the end of the quarter. The data is as at 31 December 2015.

By type of owner	Share in thousands of shares EUR*	Share in %
Intesa Sanpaolo Holding International S.A. - majority owner	418 034	97,03
Other legal persons	5 305	1,23
Natural persons	7 480	1,74
TOTAL (Share capital of VUB, a.s.)	430 819	100,00

By nationality of the owner	Share in thousands of shares EUR*	Share in %
Intesa Sanpaolo Holding International S.A. - majority owner	418 034	97,03
Domestic shareholders	9 797	2,28
Other foreign shareholders	2 988	0,69
TOTAL (Share capital of VUB, a.s.)	430 819	100,00

* The share of shares of VUB, a.s. in EUR means the value of the shares of VUB, a.s. owned, expressed as the nominal value in euros multiplied by the number of shares held.

VUB, a.s. shares were held by **29 792** shareholders as at 31 December. The foreign shareholders come from the following countries and the following share of the share capital (in %): Luxembourg (97.032 %), Germany (0.563 %), Czech Republic (0.100 %), Austria (0.017 %), Great Britain (0.004 %), USA (0.003 %), Andorra (0.003 %), Canada, Romania, France, Switzerland, Sweden, Belgium and Cyprus.

RELATIONS BETWEEN THE COMPANY AND ITS SHAREHOLDERS AND THE COMPANY'S APPROACH TO SHAREHOLDERS

The Bank complies with the provisions of the Commercial Code and other applicable legislation concerning the protection of shareholders' rights, as well as the provisions on the timely provision of all relevant information about the company and the regulations on the convening and conduct of its general meetings. The Company complies with the principles relating to the rights of shareholders, the principle of equal access to information for all shareholders and other principles in accordance with the Code of Corporate Governance in Slovakia. Corporate governance principles ensure, facilitate and protect the exercise of shareholders' rights. The Company duly and timely fulfils all its obligations towards shareholders arising from the relevant legislation and the Corporate Governance Code in Slovakia. The Company facilitates the proper exercise of shareholders' rights and acts transparently and exclusively in accordance with the relevant applicable.

DIALOGUE WITH SHAREHOLDERS

VUB Bank's priority is to communicate effectively with all shareholders and to ensure that they are properly informed. The Bank's Secretariat Department ensures continuous dialogue with shareholders and the Economic Analysis Department is responsible for communication with rating agencies and analysts. Dialogue takes several forms, both formal and informal, in both Slovene and , writing, by telephone and through face-to-face meetings. The main medium is the Bank's website www.vub.sk, where the necessary information, guidelines and forms are published. There are also practical legal procedures for transactions most frequently requested by shareholders, in particular:

- the manner 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 entitlement,
- donation of shares - legal steps,
- authorization to pay dividend on shares and to transfer the right to dividend,
- proxy to participate in the general meeting,
- requirements for documents certified abroad
- participation of shareholders at the general meeting - rights and requirements,
- the full text of the documents and draft resolutions are the subject of the General Meeting's deliberations,
- the results of the General Assembly votes,
- information on the buy-back of own shares of VUB, a.s,
- possibilities of buying and selling shares of VUB, a.s.

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 the shareholder structure,
- information about the main shareholder,
- list of members of the board of directors and the supervisory board,
- press and analytical releases,
- financial statements and important background information on the Bank's activities,
- information on VUB Bank's market position and its assessment,
- market shares,
- ,
- 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 PAYMENT FROM VÚB, A.S.

Dividend for the year	Dividend amount per action of VUB, a.s.	Record date for determining persons entitled to dividend	Dividend due date*
2008	-	-	-
2009	4,50 euro	7 May 2010	4 June 2010
2010	4,60 euro	4 May 2011	1 June 2011
2011	3,65 euro	3 May 2012	1 June 2012
2012	4,98 euro	19 April 2013	20 May 2013
2013	6,50 euro	24 April 2014	26 May 2014
2014	6,90 euro	24 April 2015	26 May 2015

Remark:

* The record date means that the shareholder is entitled to the dividend if he or she owns VUB, a.s. shares as of that date, according to the list of VUB, a.s. shareholders maintained with the Central Securities Depository of the Slovak Republic.

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

VÚB, 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. Hospodárske noviny or on the website of the Bratislava Stock Exchange [V](#). VUB's share is part of the Slovak SAX stock index and significantly influences its development. The share price has fluctuated over the last four years (2011-2014) from a low of EUR 58 per share to a high of EUR 148.00 per share (as at 14 December 2015).

VUB, a.s. share price development in EUR



Source: the Bratislava Stock Exchange, anonymous trades, 2012 - 2015

RIGHTS AND OBLIGATIONS OF SHAREHOLDERS

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 shall be 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 employees of VUB, a.s.,
- the approval of the ordinary and/or extraordinary individual and/or consolidated financial statements, the decision on the distribution of profits or the settlement of losses and the determination of royalties,
- a decision on the distribution of retained earnings from previous years and/or the settlement of outstanding 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 by shareholders at the Bank's registered office or sent upon request. The invitation and supporting documents are also published on the Bank's website and in the periodical press with 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 (hereinafter referred to as the "Commercial Code"), 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 the VUB Bank's website under the section entitled "Information for Shareholders".

VUB Bank accepts all its legal obligations towards its shareholders. It complies with the provisions of the Civil 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 treatment.

SHAREHOLDER PROTECTION INITIATIVES IN 2015

Since 2007, VUB Bank has applied Italian Law 262, which was issued in . In order to implement the law, a project called "Project 262" was defined. Its objective is to achieve compliance with the requirements of Italian Law 262 at VUB Bank. Law 262, which was inspired by the US Sarbanes Oxley Act, was enacted to ensure a significant strengthening of investment protection. The resulting measures cover a broad area and focus on various activities, such as 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, adjust 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 processes that affect financial information, assess the relevant risk associated with those processes, and, based on that assessment, design adequate internal controls to eliminate the potential risk. The basis of the project is to identify and respond promptly to any internal control that is not functioning properly. This will ensure that the quality of financial reporting is enhanced through the power of business ethics, effective internal controls and good corporate governance. Under Act 262, the responsibility of the CEO for the content of financial reports, the accounting used has been determined,

for an adequately set up control system and for a true and fair view of assets, liabilities, costs, income and cash flows. The Chief Executive Officer and the Chief Financial Officer sign a declaration certifying the adequate and effective application of accounting and financial reporting procedures. The benefit of the whole project is to provide assurance to shareholders on 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.

ABOUT THE 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 97.03% 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 a leading position in Italy and is 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 Mediterranean region. Through its subsidiary banks, it operates in the following countries: Serbia, Croatia, Slovakia, Egypt, Hungary, Slovenia, Bosnia and Herzegovina, the Russian Federation and Romania.

Suppliers

STRATEGY IN RELATION TO SUPPLIERS

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 that are part of its business and which it sees as an obvious part of the Code of Ethics and its everyday conduct.

VUB Bank is aware that good business results are beneficial for all stakeholder groups, among which suppliers have their inherent position. VUB banka is one of the largest Slovak companies and as such has a wide network of business partners - its suppliers. By purchasing goods and services, it indirectly generates benefits for the whole company, in the form of employment and business and financial results of its suppliers. Responsible environmental and social practices are an unthinkable commitment of VUB Bank towards its suppliers.

OBJECTIVES AND RULES IN RELATION TO SUPPLIERS

- transparent selection of suppliers of quality goods and services at good prices,
- Close cooperation with suppliers, open communication, joint process efficiency settings,
- Responsible partnership, including regular and timely payments,
- selection of friendly technologies, products and materials,
- cost-effectiveness in the procurement process,
- standardisation of purchases.

APPLYING CORPORATE SOCIAL RESPONSIBILITY RULES TO SUPPLIERS

VUB Bank further transfers the principles of corporate responsibility to its suppliers. We strive to cooperate principally with companies that respect and uphold the values of our company and the Group. We create open and strong partnerships across the entire supplier portfolio. We make cooperation conditional on the future business partner's commitment to protecting and improving the living conditions of its employees, local communities and other specific social groups.

G4-SO9	Percentage of suppliers that have been screened for impact on society.	100 %
G4-SO10	Significant current and potential negative impacts in the area of supply chain impacts on society and activities to address them.	

Already in the tendering process, we require suppliers to comply with the principles in the form of an *"Affidavit of Compliance with the Principles of Corporate Social Responsibility"*. This document has become an integral part of the relationship between VUB and suppliers and is one of the mandatory annexes to tender procedures. By signing the document, the candidate for mutual cooperation confirms that he/she conducts his/her business activities in accordance with the principles of ethics, transparency, morality, decency and that he/she complies with the legal order of the Slovak . It confirms that it rejects and punishes all forms of corruption, including extortion and bribery, and promotes fair competition. It declares that it does not participate in human rights abuses, observes and respects international human rights in the field of business. The applicant respects the right to freedom of association and collective bargaining and recognises the rights of employees under the collective agreement, while respecting the international prohibition of forced and child labour in any form.

In 2015, VUB Bank cooperated with 1,131 suppliers from various fields. The largest share was accounted for by suppliers- lia property management and landlords of commercial premises from all over Slovakia, where the bank has its branches and sales outlets.

Type of commodity	Number of suppliers	Supplier/commodity ratio
IT HW/SW/Services	177	15,65 %
Energy	120	10,61 %
Real estate - administration, leases	454	40,14 %
Marketing and other categories	380	33,60 %
Total	1 131	100 %



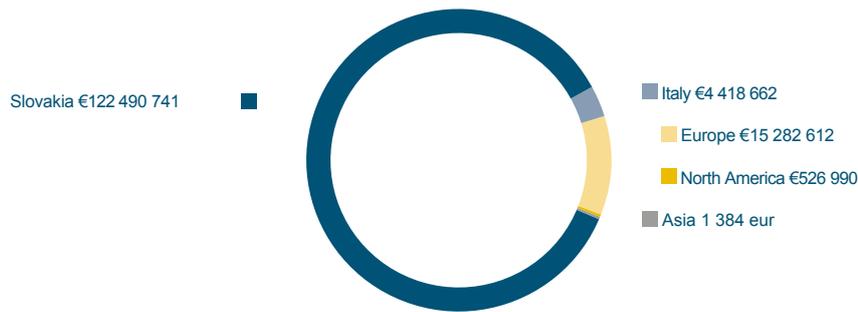
TRANSPARENCY AND EQUAL OPPORTUNITIES

Transparency and equality of opportunity are attributes that apply to the selection of suppliers, but also to the definition of internal supplier processes and relationships. In our view, these are the *attributes of VUB Bank's responsible approach to suppliers*. VUB Bank's suppliers are significantly affected by compliance with the Code of Conduct. VUB Bank believes in fair play and transparency in its relations with suppliers. In order to create and build open partnerships across the entire supplier portfolio, VUB Bank seeks to work principally with those suppliers who respect and uphold these values. For existing suppliers, this is a challenge to continuously improve the quality of their products and services in order to be a valuable partner for future, and for new suppliers, is a support in their ambition to become VUB Bank's business partner.

One of the basic prerequisites for success in the competitive market is an efficient way of handling the funds for goods and services that VUB Bank needs for its operations. The total amount of such costs directly contributes to the business results. Therefore, VUB Bank expects from its suppliers a flexible, proactive and responsive approach accompanied by high efficiency. VUB Bank is interested in developing long-term business relationships based on open pricing in order to achieve the most advantageous and mutually acceptable supplier terms and conditions.

VUB works primarily with suppliers from the Slovak Republic, but within the framework of equal opportunities, it also has supplier-customer relationships with suppliers from abroad, whether from Italy, where the parent company is based, or from other countries around the world.

Supplier's registered office	Number of suppliers	Volume in EUR
Slovakia	970	122 490 741
Italy	19	4 418 662
Europe	130	15 282 612
North America	11	526 990
South America	0	0
Asia	1	1 384
Other	0	0
Total	1 131	142 720 389



THE GROUP'S PRINCIPLES OF SUPPLIER-CUSTOMER RELATIONS

- adherence to the principles of the Code of Conduct, in particular as regards transparency and fairness in supplier selection processes, adherence to the Group's internal code of conduct
- compliance with regulations on confidentiality and privacy, social and environmental sustainability, occupational safety, protection of industrial property and copyright
- separation of executive and control functions to avoid conflicts of interest in procurement
- timely reporting and management/management of anomalies
- the use of contractual provisions and control instruments that protect the group from liability risks between the partner and the client

All processes are harmonised with the standards of the parent bank. Compliance with these rules is checked to ensure transparency and equal opportunities.

WHISTLE-BLOWING POLICY

VUB Bank has adopted a Policy for dealing with anonymous complaints. It has set up an email to which business partners can contact if, during the procurement process or during the execution of a contract, a supplier that any employee of the Bank or any other related person of the Bank has violated the law or the Bank's internal regulations (e.g., misuse of information in business dealings, fraud, extortion, embezzlement, bribery) in connection with a contract or otherwise. The Supplier has the possibility to contact VUB Bank with a complaint to investigate the matter via email [v](#).

PORTALE FORNITORI

The way of purchasing goods and services at VUB Bank has changed since 2014. **The supplier portal - Portale Fornitori** - is actively used for more efficient communication with suppliers and implementation of procurement processes. [v](#). The portal is used for the registration of invited suppliers and for the tendering of suppliers.

ELECTRONIC AUCTIONS

VUB Bank also uses electronic auctions through the **Access Point** [v](#) application in tenders. Suppliers submit their bids electronically at the same time in one place. VUB Bank thus speeds up and streamlines the supplier selection process in a transparent manner, as well as ensuring fair price negotiations. The electronic auction is a form of "open" negotiation that ensures equal opportunities and fair play in the supplier selection process when procuring goods and services.

LEGISLATIVE REGULATION OF THE PROCUREMENT PROCESS IN THE REPUBLIC OF SRPSKA AND ITS EFFECTS ON THE ACTIVITIES OF THE VUB BANK

The selection of suppliers in VUB Bank is not subject to the Public Procurement Act. During 2015, no fines were imposed on VUB Bank for non-compliance with any laws and regulations relating to procurement and purchase of goods and services. Internally, VUB Bank has set up sufficiently strong and multiple control mechanisms - internal control system, transaction controls from the parent bank and internal .

SHELTERED WORKSHOPS

Under the Employment Services Act, every employer in the Slovak who employs more than 20 employees is obliged to employ citizens with disabilities. The second option is the use of substitute performance and the award of a contract or the removal of products and services from a sheltered workshop that employs people with disabilities, from a citizen with severe disabilities or from an employer whose

employees are citizens with severe . In view of the above-mentioned legal obligations, VUB Bank entrusts part of its contracts to sheltered workshops, despite the fact that the prices they provide are often higher and the delivery times longer than those of regular suppliers. In 2015, VUB Bank purchased goods and services from sheltered workshops in the amount of EUR 62 600, which is an increase of 33% compared to 2014.

Volume of purchases from sheltered workshops

Year	2015	2014	2013
Amount in EUR	62 600	47 700	65 864

ENVIRONMENTAL MANAGEMENT OF SUPPLIERS

VUB Bank is neither a manufacturing company nor a direct polluter of the environment; it is committed to reducing its negative impact on the environment as much as possible. The company is looking for optimal solutions beyond legislation and one of the solutions is to give preference to environmentally friendly products. In particular, we give preference to those suppliers who take measures to minimise the negative impact of their activities.

Percentage of suppliers that have been verified for compliance with environmental criteria.	100 %
Significant actual and potential negative environmental impacts in the supply chain and activities to them.	(0) (%)

HUMAN RIGHTS AND THEIR PROTECTION AT SUPPLIERS

Percentage of suppliers that have been screened for human rights.	100 %
Identified activities and suppliers where the right to freedom of association is significantly undermined and collective bargaining and the measures implemented to promote these rights.	(0) (%)
Identified activities and suppliers where there is a significant risk of child labour incidents and measures implemented to promote the elimination of child labour.	(0) (%)
Identified activities and suppliers where there is a significant risk of forced or compulsory work and measures implemented to promote the elimination of forced or compulsory labour.	(0) (%)
Significant current and potential negative human rights impacts in the supply chain and activities to address them	(0) (%)

MATERIALS

VUB Bank manages the use and consumption of office paper, the consumption of toner for copiers and printers, and the collection and disposal of their used packaging. In the area of building management, it cooperates with companies that are ISO 14001 certified. This system helps companies to participate successfully in national and international competitions, but also ensures the growth of the company's value and cost-effectiveness, as well as the trust of customers. Purchases of office paper are 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 redesign, reconstruction or other construction work, VUB Bank cooperates with construction companies that integrate environmental care into their business strategy and day-to-day operations. The same applies to lighting and interior design , 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.

As VUB Bank is not a manufacturing company and its activities do not result in products for which input materials would need to be purchased, the report does not deal in detail with the materials used or the recycled input materials used. For more information, please refer to Chapter *Environment* √.

Environment

STRATEGY

VUB Bank is neither a manufacturing company nor a direct polluter of the environment, and therefore the environmental impact of our business is minimal. We consider environmental protection and sustainable development to be a natural part of our operations in the market and in the country, and we are therefore committed to reducing our negative impact on the environment as much as possible. We take action both internally and externally to our company. We look for solutions beyond legislation, we are interested in our active and passive environmental performance, we map relevant environmental mental indicators and we are constantly looking for new ways in our approach to the .

Measures to reduce the direct (from our activities) and indirect (from clients and suppliers) environmental impact are embedded in **the VUB Group Environmental Policy**. As part of an inter-national banking group, we are guided **by** the *Equator Principles* and the *UN Global Compact*. We have well-defined internal rules and our investment and lending decisions also take into account social and environmental risks.

VUB Bank's main activities in the field of environmental protection in 2015 were based on

1. the current *Environmental Policy* aimed at:
 - support for investment projects saving and renewable energy,
 - cost-saving measures to reduce energy and consumption,
 - waste separation and measures to reduce waste production,
 - Raising the environmental awareness of employees.
2. *Environmental Sustainability Action Plan* with priorities for energy savings ():
 - replacing old electrical appliances with new ones with the highest environmental performance,
 - Comprehensive introduction of LED technologies,
 - optimisation of heating systems,
 - replacement of measurement and control systems and technologies.

ENVIRONMENTAL POLICY

It is VUB Bank's fundamental document and the basis for the implementation of our environmental concept. It sets out the mission and objectives in the field environmental protection, sustainable development and comprehensive environmental management. It defines the principles and guidelines for direct and indirect environmental impacts in relation to our partners, addressing resource use (water, heat, energy, gas), procurement, mobility, integrated environmental and energy management systems. Last but not least, it enables us to communicate our intentions and objectives to our employees and other partners. In addition to the Environmental Policy, we were also guided by other internal policies in 2015:

1. organising social events and in-house training courses,
2. purchase and use of office paper,
3. integrated enviro and energy management system.

AND GLOBAL COMPACT

VUB Bank is committed to acting in accordance with the UN Global Compact, an international standard to which it signed up in . It includes principles aimed at protecting the environment, which we strive to comply with as as possible.

EQUATOR PRINCIPLES

We take a responsible approach to project financing and lending. As a manager of large amounts of funds, we have a significant influence on capital flows. It is therefore to us that the projects we choose to finance do not have a negative impact on the environment in which we live. Our voluntary adherence to the *Equator Principles* and the strict implementation of the principles applied to all phases of the lending policy is a confirmation of this commitment.

MANAGERIAL APPROACH

The aim is to encourage the employees - users of the buildings to effective solutions, with a view to creating optimal working conditions.

Our environmental management includes:

- Department of Internal Services and Buildings Management,
- Procurement Department,
- external suppliers of products and services,
- Risk Management Section,
- 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.

INTEGRATED ENVIRO AND ENERGY MANAGEMENT SYSTEM

It addresses prevention, management and, where , reduction of the impacts of our activities, whether direct or indirect. Direct impacts are defined as areas where our activities may have a negative impact or , on the contrary, we can directly influence the environment through our actions (e.g. use, management of hazardous substances and waste, waste reduction, energy efficiency). Our management system clearly defines the rules and processes relating to the implementation of environmental policy.

As VUB Bank is not a direct polluter of the environment, 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. VUB Bank does not, as a matter of principle, provide financial resources to finance activities that could endanger the environment,

Direct:

- energy saving measures,
- implementing and complying with internal rules and notices relating to e.g.
 - efficient use of electricity in offices,
 - air conditioning (principles of its use),
 - cooling and heating (adjusting the indoor temperatures in cold and warm periods),
- regular collection and environmentally friendly disposal of non-working phones, accessories and batteries,
- collection and disposal of waste classified as hazardous (toners, fluorescent lamps),
- videoconferencing instead of business trips,
- mandatory shutdown of PCs after working hours, on weekends and on days off.

Environmental management indicators

Number of staff whose job description includes direct implementation of environmental policy	1
Number of internal specialists	0
Number of external specialists	2
Percentage of employees informed about the implementation of environmental policy	100

Costs related to environmental management and waste disposal

Year	2015	2014	2013
IN EUR	16 633	17 781	17 213

DIRECT IMPACTS**PAPER**

When we **use** paper, we save directly and indirectly:

- We prefer black and white and double-sided printing, printing multiple pages on one sheet, etc,
- the use of electronic instead of hard copy documents was introduced in Bank management meetings,
- 96% of managers have stopped receiving printed newspapers and can read them on the web,
- introduction of reusable envelopes made of recycled paper for internal mail.

Subscriptions to newspapers and magazines in print versus electronic form**Total paper consumption (kg)****Paper consumption by type (kg)**

Year		2015	2014	2013
Certified paper	100% recycled	2 806	901	2 876
	FSC	60 110	47 702	59 903
	ECF/TCF	322 011	333 217	239 557
	FSC and ECF/TCF	121 127	104 591	168 499
Non-certified paper		4 394	4 172	2 430
Total		510 448	490 583	473 264

In 2015, the consumption of office paper increased. This is again due to new legislation, which ultimately- k caused an increase in paper documentation.

PAPERLESS LOAN

Since 2015, customers of VUB Bank can arrange a loan at the Bratislava branch of Páričkova much faster and without a single piece of paper. The whole process has been moved from paper forms and contracts to a tablet display and a digital signature is sufficient at the end.

The sale of online loans is growing and provides us with interesting facts:

- clients most often take out a loan on **FRIDAY**
- they borrow **20% higher amounts** online than through mobile banking
- **every third** online loan is taken by people via **MOBIL**
- 208 trees saved per year
- **Sale of credit before:**
 - 10 thousand pages of paper per year printed for the client
 - loan sale takes about 35 minutes
- **Selling the loan then:**
 - 100% of documentation available at the branch, in 24-hour banking and on mobile devices
 - we save our clients time - it takes 14 minutes to process a loan

ENERGY

VUB Bank strives to reduce energy consumption and this trend was maintained in principle in . As in the previous period, we placed emphasis on economical heating and cooling of our premises and on the selection of energy-saving light sources.

VUB Bank requires two primary sources of energy for its operation - electricity and gas. Electricity

consumption decreased again in 2015 and this decrease is the result of

- a continuous effort to guide employees towards efficient use,
- purchases of high-efficiency equipment,
- continuous supervision and regulation of the technology used.

Gas consumption increased slightly, but is significantly lower than in 2013.

Direct energy consumption

Year	Electricity kWh	Gas m ³	kWh	Total kWh
2015	14 404 261	957 709	9 002 468	23 406 729
2014	14 644 944	887 337	8 340 974	22 985 918
2013	15 757 832	1 096 513	10 307 222	26 065 054

Notes:

1) 1 m³= 9.4 kWh

2) the data were obtained from the contractor's readings

Heat consumption increased slightly in 2015, but in principle it follows a downward trend, among other things of course in view of global warming.

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



Total energy consumption has stabilised at around 28.5 GW. In addition to the human factor, the local outdoor temperature and the thermal resistance of the envelope also influence the consumption of heat and gas.

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



RENEWABLE RESOURCES

VUB Bank's electricity suppliers are the largest local suppliers (ZSE, VSE and SSE), which guarantee that at least 15% of the energy they supply is generated from renewable sources. In accordance with the relevant provisions of Act No. 656/2004, electricity suppliers in the Slovak Republic must inform their customers about 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 , but it is not within our power to influence these shares in any way. Also in 2015, the share of primary energy sources in the generation of electricity supplied by our suppliers (based on data provided by them) was as follows:

■ Renewable (hydro, wind, solar)	15 %
■ Gas	13 %
■ Coal	20 %
■ Core	52 %

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

EMISSIONS CO₂

In 2015, VUB Bank did not monitor the production of issues, as this data is not yet available due to the bank's activities. CO₂ is emitted only by company cars, the number of which we are constantly reducing. In addition, bicycle racks have been installed in the garage areas of the bank's head office and in front of some branches. The aim is to encourage citizens to use this mode of transport to in good weather.

AUSTERITY MEASURES

The cost-saving measures are VUB Bank's contribution to environmental protection and modernisation of operations. In 2015, we continued with energy efficiency measures in the following areas:

- Offices
 - insulation and heat leakage barriers - reconstruction of facades, roofs, replacement of windows,
 - continuous renewal of standard office equipment with new equipment,
- Equipment of buildings
 - modernisation of equipment with higher efficiency of operation (cooling machines, air handling units, boilers, pumps, etc.),
 - heating (reconstructions, hydraulic balancing and other related optimisation processes),
- Measurement and control - limiting cooling devices in the service menu (i.e. it is not possible to set very low temperatures),

- HVAC equipment reductions with R22 - replacement of refrigeration equipment operating with R22 refrigerant, which depletes the ozone layer,
- installation of modern lighting systems,
- LED technology.

In addition, we permanently supervise the correct settings of the measurement and control systems that control cooling and heating, and at the same time we explain to our employees the basic principles of operating economy. We have also introduced other measures:

- internal regulations (e.g. economical use of electricity in offices, air-conditioning use policy, cooling and heating - setting of indoor temperatures in cold and warm seasons,
- mandatory shutdown of PCs after working hours, on weekends and on days off,
- video conferencing instead of business trips, use of bicycles.

WATER

Water is supplied to all VUB Bank branches throughout the Slovak Republic by local water companies. Water consumption decreased in 2015. In 2015, we had an average daily water consumption of 115.6 m³, which is 32 litres per employee per day on average.

Total water consumption (in m³)



Average daily water consumption

Year	2015	2014	2013
For the whole bank (in m ³)	116	133	132
Per 1 employee (litres)	32	38	37

VUB Bank is not a manufacturing company, therefore water consumption is not significant. We use water efficiently and mainly for personal hygiene, irrigation and in a minimal amount for the operation of equipment (heating, cooling circuits, etc.).

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

WASTE

Waste management aims to remove or treat waste in ways that are acceptable.

Employee education and training also play an important role in the path to waste minimisation. There is a process in place for waste separation that is mandatory for all employees. Its text is available on the intranet site and employees have been informed about it several times during the year through personal emails and educational material. We separate only paper in facilities across the country. In the VUB Bank headquarters building in Bratislava, we sort waste as follows:

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

Hazardous waste containing residues of hazardous substances

Year	2015	2014	2013
V kg	5 574	135	1 245

Total amount of R22 refrigerants

Year	2015	2014	2013
V kg	1 900	2 100	2 122

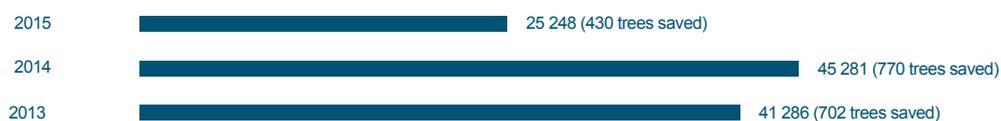
Since the end of 2014, all refrigeration equipment containing R22 refrigerant has been gradually replaced, taking into account the strategic importance of the area where it is located. With this measure, we will meet our legislative obligation and, at the same time, we expect a reduction in electricity consumption during the cooling season in view of the higher efficiency of the new machines. Waste production fluctuates over the years.

Types of waste disposed of (kg)

Year	2015	2014	2013
Metal packaging contaminated with pollutants	0	0	30
Plastics - payment cards	1 200	60	340
Absorbents, other filter materials	0	0	-
Packaging containing dangerous substances	0	0	2 958
Waste toner from printers	330	487	140
Bulky waste	43 160	3 507	1 565
Lead acid batteries	0	0	-
Plastics and rubber	0	0	0
Discarded equipment (fluorescent lamps)	0	75	116
Discarded refrigerators (containing hazardous substances)	0	0	3 800
Discarded equipment (other)	5 340	468	1 985
Polystyrene	0	0	90
Discarded equipment containing hazardous substances	1 747	0	2 047
Decommissioned transformers in pcs	0	0	0

In 2015, we recycled 25,248 kg of paper, representing 430 trees saved.

Waste - separated paper (kg)



INDIRECT IMPACTS

VUB Bank does not limit itself to reducing the negative impact of its business on the , also promotes ecological thinking and behaviour of its employees and clients.

EMPLOYEES

In 2015, there was no change compared to other years, which means that our guidelines and advice for building users (how to use the facilities efficiently and how to ensure an optimal microclimate in the building) did not need to be updated. These documents are stored and available on the VUB intranet. Employees are kept informed of them and can also be reminded of our environmental guidelines at any time.

All employees are encouraged throughout the year through awareness raising 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).

All the interiors of the headquarters building have advertising and information stickers which aim to:

- to highlight and raise awareness on saving light and energy,
- how to effectively ventilate, cool,
- what to do if a water leak is detected.

In addition, manuals were distributed for the control of cooling and heating equipment in the headquarters building.

CLIENTS

VUB Bank successfully replaces paper account statements with electronic ones. Not only because the electronic statement is more convenient and easily accessible at any time in one , but it is also a manifestation of our responsibility towards the environment. Currently, all VUB Bank customers with access to Internet banking have their electronic statement for current and term accounts, as well as for credit cards, loans and share certificates. These clients are sent a paper statement only once a year in the form of the so-called annual summary statement. We continuously encourage other clients to use electronic communication and electronic statements.

SUPPLIERS

When selecting suppliers, we give preference to those who are environmentally conscious - using recycled materials, saving energy and reducing their negative impact on the . We require suppliers to declare that they implement preventive measures in relation to environmental protection and strive to reduce their negative impact on the environment when conducting their business. The supplier declares to VUB Bank by his signature that he will take steps towards greater responsibility for the environment, promote the use of environmentally friendly technologies or seek new and effective solutions beneficial to the . Also thanks to these implemented procedures, there was no environmental contamination in 2015 in the VUB's responsibility.

In the area of building management and maintenance, renovation, redesign and construction work, VUB Bank cooperates with companies that systematically approach environmental protection in all aspects of their business. The same applies to cleaning contractors, suppliers of services related to OHS, OSH and CO, as well as suppliers of interior, lighting fixtures or exterior signage (illuminated logos on buildings and ATMs), whose activities, in addition to the production and provision of services, are oriented towards energy savings and waste minimisation. Our major suppliers, like VUB Bank, incorporate all environmental standards and are committed to a responsible approach to the environment.

MATERIALS

Among the environmental aspects are the consumption of office paper, the consumption of toner for copiers and printers, the 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

for chlorine-free paper (TCF/ECF) and recycled paper. As a matter of principle, we purchase office paper from certified manufacturers and with a origin label.

The internal policy sets out the principles for the purchase of paper with the aim of:

- reduce the consumption of uncertified paper as much as possible,
- use environmentally certified paper,
- use 100% recycled paper as as possible,
- prefer to buy paper from certified producers with FSC, CSA or PEFC paper origin labels,
- buy and use ECF (Elemental Chlorine Free) or TCF (Totally Chlorine Free) bleached paper.

By giving preference to the purchase of FSC raw materials, we are contributing to the improvement of forest management in the world. This prevents deforestation as well as illegal logging.

We also do not avoid the issue of bleaching of used wood , and therefore we buy and use ECF (Elemental Chlorine Free - which means that chlorine gas was used in its production, but not chlorine derivatives such as chlorine dioxide) or TCF (Totally Chlorine Free) paper as much as possible.

We use eco-friendly envelopes made of purely natural materials, which are marked with the certified Green Energy logo, for all mailings to our clients. The envelopes with the *Green Letters* logo, in which we send statements to our clients, carry VUB's message as an friendly company.



BIODIVERSITY

None of VUB Bank's activities affect biodiversity. We do not carry out activities that would directly disturb the environment 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 the year 2015, 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 any premises from which sewage is discharged into the countryside and threatens the biodiversity of water bodies. The water is discharged as standard into sewerage systems and further treated in treatment plants.

ENVIRONMENT AND CREDIT POLICY

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

Environmental sustainability is one of the cornerstones of our responsibility strategy. Not only do we want to work with partners who are committed to environmental protection and sustainability, but we want to participate in sustainable development ourselves.

As part of our lending policy, we only finance companies that comply with environmental- legislation. We support companies that comply with the environmental protection requirements of the legislation of the Slovak Republic or the European Union. We also provide corporate finance loans to clients in sectors where environmental risks can be expected, but we examine these in detail.

From a green energy perspective, we offer products that contribute to sustainability. We have paid particular 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.

ENVIRO PRODUCTS OF VÚB BANK

- loans for investment projects in energy saving and renewable energy,
- "green energy" projects of Slovak companies,
- loans for energy savings and alternative energy production (hydropower plants, biogas plants, biomass combustion plants and photovoltaic plants),
- investment loans to support the development of energy efficiency infrastructure and renewable energy sources in towns and municipalities in Slovakia,
- Loans to apartment owners' associations and owners of apartment buildings managed by the administrator for energy efficiency projects.

GREEN ENERGY AND ENERGY EFFICIENCY PROJECTS

In 2015, we granted loans for 27 renewable energy and energy efficiency projects for a total amount of EUR 10 070 884. These projects were financed by the European Bank for Reconstruction and Development.

INVESTMENT LOANS FROM THE EBRD SLOVSEFF III RESOURCES TO SUPPORT THE DEVELOPMENT OF ENERGY EFFICIENCY AND RENEWABLE ENERGY SOURCES IN SLOVAKIA (SLOVSEFF III. PROGRAMME)

In 2015, VUB Bank obtained new resources to finance projects that reduce greenhouse emissions. It signed a EUR 15 million SlovSEFF III credit line with the European Bank for Reconstruction and Development, extending the original credit agreement from December . Projects in the fields of industry, renewable energy and energy efficiency in residential housing had the chance to receive financial support. Private companies, ESCOs (private companies providing services in the energy), homeowners' associations and managers were eligible to apply for the funds. The amount of the possible loan ranged from EUR 20 000 to EUR 10 million, depending on the type of project.

In 2015, loans amounting to EUR 4 119 500 were granted.

EBRD INVESTMENT LOANS TO SUPPORT THE DEVELOPMENT OF ENERGY EFFICIENCY INFRASTRUCTURE AND RENEWABLE ENERGIES IN TOWNS AND MUNICIPALITIES (MUNSEFF PROGRAMME)

VUB Bank provides loans from the resources of the European Bank for Reconstruction and Development on the basis of the credit line Support for municipal energy efficiency (under the MUNSEFF - Municipal Sustainable Energy Financing Facility). The programme is aimed at supporting the energy efficiency of municipal infrastructure in Slovakia, the energy efficiency of municipally owned buildings and residential housing, as well as projects in the field of renewable energy sources. In 2015, we provided investments from the MUNSEFF programme with a total value of EUR 5 951 384.

EIB - VÚB CONVERGENCE AND MID-CAP LOANS II-B

The content of the support was a project for a network of food stores. A loan of 1 000 000 was granted.

Renewable energy loans

Type of project	2015		Number of	2014		2013	
	Number of	Investment volume EUR million		Investment volume EUR million	Number of	Investment volume EUR million	
Photovoltaics	2	3,5	3	17,88	-	-	
Hydropower	2	13,5	1	10,00*	-	-	
Combined production electricity/heating			-	-	-	-	
Biogas					1	2,0	

* Financed by EIB resources.

LOANS TO ASSOCIATIONS OF OWNERS OF FLATS AND NON-RESIDENTIAL PREMISES (SVB) AND OWNERS OF FLATS AND NON-RESIDENTIAL PREMISES UNDER THE MANAGEMENT OF THE ADMINISTRATOR

In an effort to support energy efficiency projects, in 2015 we also focused on improving the quality of products for apartment and non-residential premises owners' associations and owners of apartments and non-residential premises under the management of the administrator. In addition, our clients have the opportunity to obtain a non-refundable grant of 10-15% of the loan volume if the loan is financed or co-financed by a credit line from the European Bank for Reconstruction and Development. The condition is that the implementation of the project results in a 30-40 % saving in energy consumption compared to the baseline situation. In order to be as close as possible to the needs of our clients, we provides these investment loans with a maturity of up to 25 years. In 2015, this type of loan was used by 28 clients for a total investment value of EUR 4.6 million.

Loans for SVB

Year	2015	2014	2013
Number of loans	28	24	13
EUR million	4,6	6,5	1,9

VUB Bank has been cooperating with **the European Bank for Reconstruction and Development** since and has successfully participated in previous SlovSEFF I, SlovSEFF II and MUNSEFF programmes. Through these programmes, it has provided loans to its clients in the total amount of almost EUR 50 million. All of them financed activities aimed at energy savings in the mind, the acquisition of energy from renewable sources and projects in the housing , as well as the promotion of energy efficiency in the municipal sector.

CREDIT POLICY

VUB Bank has embedded environmental standards in one of its core activities, . The bank does not provide resources to finance certain activities, which 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 risk, the bank requires due diligence to manage the client's environmental risk. Examples of such risk activities and areas of business are given below:

- hazardous waste storage, treatment and disposal,
- manufacture or trade in equipment and appliances containing Freons,
- manufacture or trading of electrical equipment containing polychlorinated biphenyls (PCBs),
- manufacture or trade in products containing asbestos,
- foreign trade in waste and waste products.

OTHER INITIATIVES TO REDUCE THE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES

ORGANIZING CORPORATE EVENTS AND INTERNAL TRAINING COURSES

The policy addresses issues of paper consumption, use of office equipment, transport, accommodation and refreshments when organising corporate and educational events. For example, in order to reduce paper consumption, we have stopped using hard copy invitations and study materials (we only send them electronically) and where printing of documents is necessary, recycled or certified paper printed on both sides is used. We use recycled and recyclable materials, events are principally held in energy-efficient buildings and locations that are easily accessible by public transport (reducing car journeys reduces CO₂), and catering and accommodation are preferably provided by suppliers with an environmentally friendly approach.

INTERNATIONAL ENVIRONMENT DAY

On 5 June, VUB Bank joined the global celebration of International Day. Employees were invited through internal channels to commemorate the day and do something for the at the same time.

VUB Bank took over the UN campaign called *Seven Billion Dreams. One Planet. Consume wisely* and

- called for zero food and food waste,
- offered tricks and tips on how not to waste food and thus save the environment and finances.

SIGNATURE AUTHORISATIONS AND SIGNATURE PATTERNS WITHOUT PAPERS

In late 2015, the Bank began testing the functionality and approval workflow for processing the signature authorization request and signature template on a select group of departments at the Bank. The change from the previous method is the complete elimination of paper forms as well as the simple and quick selection from a matrix of signature authorizations linked to a given job.

PAPERLESS REGULATIONS

In the area of regulations, VUB Bank has moved to a qualitatively higher level in the manner of commenting, approving and issuing internal documents thanks to the processing of this process in the IT application environment. Internal documents, regulations and policies and other documents are now completely "", from draft to issue.



COMMUNITY

Through the VUB Foundation we have also supported several environmental projects and events organized by non-governmental organizations. The most important of them was Ekotopfilm - an international film festival on sustainable development combined with environmental education of children and youth. VUB has been supporting this oldest and largest international festival on sustainable development since 2006.

DUNAI FUND

The Danube River has enormous potential and is crucial for the development of Slovak cities.

The Danube Fund, which was established in 2015 can provide a wide range of opportunities for cooperation between the municipalities along the Danube, as well as between entrepreneurs, various interest groups and the professional public, led by NGOs. Its first contributors and signatories of the *Danube Fund Charter* are Slovnaft and the VUB Foundation, which contributed EUR 40 000 to the project.

The Danube is not only important for the capital Bratislava, but also for other cities such as Komárno and Štúrovo, and plays an increasingly important role as a source of water, energy and transport artery. Everyone has a positive attitude towards it, from conservationists to entrepreneurs trying to do business in its vicinity. As the Danube will have a significant impact on the quality of life of the people living along its course, it is clear that the importance of the topic will grow in the medium and long term. These were all the reasons for the creation of *the Danube Fund*, which believes in cooperation between private, state and self-governing entities and non-governmental organisations. The Danube Fund coordinates financial and other resources to support public benefit development activities that will be implemented along the entire Danube River in the Slovak territory, including the Little Danube. The Fund wants to support projects that will seek solutions for better and closer connections between the river and the urban environment, protection of natural values and resources, opportunities for movement along and across the river, and links between urban centres, nations and cultures living on the banks of the Danube. Thus, these are the diverse activities that bring life to the river.

DUNAJSKÝ
FOND 

V SPOJENÍ S RIEKOU - RIEKOU SPOJENÍ

Community

In 2015, VUB Bank continued to help the community where our clients, employees and other partners live. VUB Bank supports projects in identical areas of focus to those of the VUB Foundation in order to achieve synergies. These are the areas of education, culture and charity. -For the ninth year we have been supporting the *Good Angel* charity system through charity payment cards. Their number has grown to over 40 000. In the area of support for higher education, we continued our grant scheme, which brings foreign visiting professors to Slovak universities, as well as our support for the development of economic science through the *Economicus* competition. VUB managers go to lecture at economic universities. We provide know-how to start-ups, especially to women - budding entrepreneurs - in the *VUB Academy for Enterprising Women* project. The bank buys products and services from sheltered workshops that employ people with disabilities. In the area of philanthropy, through the VUB Foundation, we continued our long-standing initiatives aimed at preserving cultural heritage and supporting the visual . In 2015, we contributed to the restoration of several historical monuments and held 5 exhibitions of young contemporary art in the medium of painting and photography.

VUB employees were involved in volunteer activities throughout the year. They were also supported by the VUB Foundation. All departments that chose to spend time as part of teambuilding were given a grant by the Foundation to support the organisation whose employees helped in this way. There was also the traditional brigade at the Banská Štiavnica Calvary with the participation of the .

FINANCIAL AND NON-FINANCIAL ASSISTANCE

Overview of sponsorship funds provided

Year	2015	2014	2013
Total donations in euros	200 000	238 000	234 000

Number of donated IT devices

Year	2015	2014	2013
ks	93	76	32

OTHER TYPES OF AID

Cooperation with the non-profit sector

At the end of 2015, there were more than 174,000 "good angels" in Slovakia, 40,000 of them VUB clients through the unique charity payment . It is issued for the Good Angel by VUB Bank. One per cent of the payments goes to the account of the non-profit organisation, 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. More than 7 000 families were beneficiaries of the system.

Year	2015	2014	2013
Number of Good Angel cards issued	40 267	36 797	31 832
Contribution from VUB Bank in euros (1% of payments made with clients' cards)	385 573	315 981	256 080

Cooperation with sheltered workshops

VUB Bank supports the functioning of **sheltered workshops** by purchasing their products and services. In 2015, we purchased goods and services with a total value of **EUR 64,000**. In December, a traditional Christmas market was held in the VUB headquarters building, where employees were able to bring their children with them. Together, they could enjoy the festive atmosphere and indulge in the pleasure of the products sold at the markets by 8 sheltered workshops from all over Slovakia. The products they sold were made by disabled people. This gave employees the opportunity to buy gifts for their loved ones and support a good cause at the same time.

Working with schools and supporting education

One of VUB Bank's priorities is education in the main area of our business - economics and finance. Our projects offer clever students the opportunity to promote original ideas and express their talents. Their aim is to increase the quality of research and higher education in finance and to develop economic science and research. At VUB Bank, we have long been developing cooperation with secondary and higher education institutions, especially in the fields of economics, mathematics and IT. In order to make education in finance, economics and banking more attractive, we are implementing:

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

The activities for students are designed to introduce them to the functioning of the individual departments of the bank and to test their skills and knowledge from their studies through practical tasks. One such activity is the '*and Internship*' programme for final year university students. The programme introduces the Bank's operations and allows students to try out working at the Bank for several months. By gaining real work experience already during their studies, students will form an idea of banking and better choose their direction after school. During the internship, they are involved in specific work tasks, have their own development plan, attend training sessions, work under the supervision of a mentor and receive feedback on their performance. The most skilful ones will be given the opportunity to apply for jobs at VUB Bank or stay on as a temporary .

Employee involvement in community life

In an effort to involve employees in activities beneficial to the community and to support their volunteering, the VUB Foundation continued its existing employee programmes in 2015. These are very popular with employees. Employees can receive financial support in the employee programme for projects in the field of charity, education and leisure activities for children and youth. The grant is conditional on the employee's active participation 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 2015, employees submitted a total of 166 projects and received support worth more than €29,923 for 24 organisations. In addition to experts in their respective fields, the Bank's employees are also represented on the evaluation committees.

Support for staff projects

Year	2015	2014	2013
Number of registered projects	166	136	271
Number of supported projects	24	20	29
Grants awarded in euros	29 923	19 904	63 476

Volunteering

Every year, volunteers from VUB exchange the air-conditioned office space for fresh air in the magical surroundings of the Banská Štiavnica Calvary. Also in 2015, VUBkers took part in the reconstruction as part of the volunteer brigade. For one day they tried their hand at the manual work of restoring this precious historical monument - they cleared the banks of fallen trees, mowed the meadows and helped to install reliefs in the objects.

It has become a tradition for employees to donate blood during the "VUB Drop" mobile blood collection every year in cooperation with the National Transfusion Service. In 2015, 130 donors took part in the three collections, donating 55 litres of the life-saving fluid. As in previous years, we also conducted an internal campaign for employees on the topic of donating 2% of personal taxes and individual donations. Many employees have activated the Good Angel charity payment card. Employees are involved in activities that benefit the community and work as volunteers also thanks to the VUB Foundation's employee programme, where they can receive funding to implement community projects.

In 2015, we started a new project called *Land of the Rescuers*. Thanks to it, our bank got the first trained for- townspeople who learned how to provide first . A group of colleagues benefited from a bonus from the bank in the form of free training. They acquired theoretical knowledge and, with the participation of the rescue legend, Dr. Viliam Dobiáš, they practiced some simple actions that will give them more confidence and courage to be able to provide first .

ACTIVITIES OF THE VÚB FOUNDATION IN 2015

The VUB Foundation is an independent legal entity, but some of its activities and projects are implemented 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 2015 are comprehensively presented in the annual report published on the [V](#).

The VUB Foundation has been active in the field of philanthropy since . It is funded by income tax assignees from the VÚB Group (EUR 834,835.96 in 2015) and by financial donations from the parent VÚB (**EUR 200,000** in 2015). VUB Bank supports its foundation staff, materially and administratively. In 2015, the Foundation contributed 633,000 to various public benefit projects, of which the majority of the funds went to support the arts and cultural heritage () and charity (). The field of education received 23% of the funds.

Overview of grants awarded

Year	2015	2014	2013	2012
Aid granted in euros	633k.	547k.	633k.	640k.
Number of supported projects	89	70	77	100

Foundation Programme **for Education**

The VUB Foundation's *Visiting Foreign Professor* [V](#) grant programme allows universities of economic studies to invite experts from abroad for a semester-long visit. In addition to the pedagogical work of distinguished foreign experts at our universities, the programme brings knowledge of the forms of scientific work at foreign universities, motivates students of economics, PhD students and lecturers to actively engage in economic science. Students can learn about the practices used abroad and acquire knowledge in a way they have not experienced before.

In 2015, Professor Nikolaos Georgantzis, who worked at the University of Economics in Bratislava on collaborative research in the field of behavioural economics, i.e. the study of human behaviour in economic decision-making, was based in Slovakia. At the same time, two more foreign professors were selected for 2016 - Professor John Gilbert from Utah State University and Professor Roman Horvath from Charles University in Prague. Both will be based at the University of Economics in Bratislava.

Foundation Programme *for the Arts*

The VUB Foundation's activities 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.

Preserving cultural heritage

We work with local partners and experts to identify and select sites in need of assistance. In addition to restoration, our aim is to spread awareness of the richness of our country and the vulnerability of our national heritage. In 2015, the VUB Foundation contributed 180,000 to the preservation of cultural heritage, which was directed towards the reconstruction of buildings in various parts of Slovakia.

For eight years now, the VUB Foundation has been supporting the restoration of the Calvary of Banská Štiavnica, one of the most precious monuments Slovakia. This national cultural monument under UNESCO protection has long been in a desolate state and in 2007 it was listed among the 100 most endangered monuments in the world. Over a period of 10 years (), the VUB Foundation provides the Fund with an annual contribution of EUR 66,400. In 2015, VUB's parent bank Intesa Sanpaolo also joined the effort, donating 51,000 euros for the restoration of the wooden carved reliefs dating back to 1751. In addition, the funds were used to make copies of the reliefs, which are already placed in the chapels of the Calvary. This was the first donation made by Intesa Sanpaolo for the restoration of a monument outside Italy.

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 the medium of painting and photography. The works entered in the competitions are evaluated by international juries and the winners receive a financial prize. Both competitions are accompanied by exhibitions, which present the best works selected by the jury to the public.

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. Last year, the seventh edition of the competition took place, culminating in an open-air exhibition on Hviezdoslav Square in Bratislava. The exhibition lasted for two months and presented the finalists of the competition, more than 60 large-scale photographs in total.

In 2015, the *Painting Competition - VUB Foundation Award for Painting for Young Artists* continued with its tenth jubilee edition. A record number of competitors - 111 - entered it. The works of the finalists were presented at an exhibition in the Nedbalka Gallery. In addition to direct financial support for the artists, the competition also helps to promote contemporary . The talents from the Painting Competition are presented in a virtual gallery on the [V](#) website.

In addition to the exhibition of the finalists, the VUB Foundation organized three representative exhibitions on the occasion of the 10th anniversary of the competition in the form of a retrospective show of the winners of the competition in 2006-2015. This comprehensive show offered a cross-section of the best of the painting work of the young generation of Slovak artists over the last decade. It consisted of 30 works, which visitors could see successively at the Central Slovak Gallery in Banská Bystrica, at the Bratislava Castle and at the East Slovak Gallery in Košice.

The prestigious international project White Night, which for years has been presenting non-traditional forms of art in the world's major metropolises, has come to Bratislava and Košice. The biggest contemporary art festival has shown that the masses can really come out to see art. Visitors to Košice and Bratislava were offered an unconventional art walk through the night city full of experiences and young art. More than 150 artists, 50 art projects, 49 kilometres of laser beams, 50,000 pixels and 250 flashing neon lights lit up the centre, the facade of Bratislava Castle was enlivened by stories of folk tales, the Erdődy Palace danced with magical paintings and the Milky Way on the roof of the VÚB building was a big attraction. The White Night also included works by young artists supported by the VUB Foundation within the Painting and Photo of the Year projects.

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 aid, we have donated EUR 66 000 for medical therapies, the purchase of equipment and the equipping of hospital wards. The National Bone Marrow Donor Registry, the ADELI Rehabilitation Centre in Piešťany and the Poprad Hospital were the recipients of grants.

In 2015, the VUB Foundation announced the *Art and Touch Heals* grant programme, which supported therapeutic projects to help the sick and disabled. Art therapy is mainly used in the treatment of the mentally ill, supporting them in self-healing processes and the development of basic skills. Art helps patients to overcome barriers, improve communication and self-expression, while offering an aesthetic experience and the joy of creation. Animotherapy is one of the most recognised therapeutic modalities, with canister therapy and hippotherapy being among its most well-known forms. Canister therapy is most commonly used in the treatment of children with autism, and hippotherapy has had positive effects on the health of patients with cerebral palsy, Down syndrome and various musculoskeletal disorders. Grants have been awarded to organisations that provide services and therapy for people with different types of disabilities or patients with a variety of serious illnesses. Their work has resulted in a number of beneficial activities.

The starting fee for people with difficult fate was realized by the VUB Foundation together with the WellGiving civic association. Every year the Foundation receives dozens of requests for help from people whose life story is marked by serious illness, disability, pain or lack of means to survive. In an effort to help people whose lives are marked by obstacles, we have formed a partnership with **dakujeme.sk**. Help was provided to applicants in an unconventional way - in the form of "starting fees" for families with sick children. It was not about donating large amounts of money, but about helping to start raising them. The uniqueness of this assistance lies in the fact that the donation of 200 euros is motivational, encourages the applicants and gives them the strength to continue to struggle and collect the missing funds, and thus actively address the difficult situation in which they find themselves. The starting fee encouraged the visitors of the donation portal not to remain indifferent and also to contribute, because the interest of the VUB Foundation is a signal to the public and potential donors that this child really needs help. In 2015, **25 children received the starting fee** and thanks to it, the families managed to raise an additional EUR 3,967 from individual donors.

COMMUNITY GRANTS

In 2015, the VUB Foundation announced a new **Community Grants** programme. The great interest of people in the environment in which they live confirmed that community projects need support, as well as activists and volunteers who are willing to devote their personal time, experience and expertise for the benefit of others. The aim of the newly established grant scheme was to improve local life or build a more beautiful environment with the help of civic initiatives. From the 155 projects submitted, an expert committee selected three projects in each county to compete for the public's votes in an online voting process. The grant was awarded to the project in each county that received the most support in the voting. A sports ground in Bratislava, a recreation area in Martin, a theatre in Levice and five other meaningful projects bring joy, relaxation and fun to the people. The VÚB Foundation distributed 80,000 euros for their implementation.

Attachments

Global Reporting Initiative Indicator Table

PROFILE

GRI	Description	Page
Strategy and analysis		
G4-1	A statement from the organisation's most senior manager (e.g. CEO, chairperson or equivalent senior position) on the relevance of the organisation's sustainability and its strategy in this area.	4 ✓
G4-2	Description of key impacts, risks and opportunities.	4 ✓, 11 ✓
Organisation Profile		
G4-3	Name of the organisation.	100 ✓
G4-4	The most important types of goods, products and/or services.	12 ✓, 13 ✓
G4-5	The seat of the organisation's management.	100 ✓
(G4-) (6)	Enter the number of countries and the names of the countries where the main or significant activity is carried out, or the activity is specifically linked to the sustainable development themes identified in the report.	9 ✓
G4-7	Type of ownership and legal form.	61 ✓, 62 ✓
G4-8	Markets (including geographic specification, sectors served, and types of customers/users).	11 - 14 ✓
G4-9	Size of reporting organisation including: <ul style="list-style-type: none"> • Number of employees • Number of establishments • Revenue (private) or turnover (public) • Total capital divided into liabilities and equity (for private organisations); and • Number of products and services 	9 - 14 ✓
G4-10	<ul style="list-style-type: none"> a. Total number of employees by type of employment and sex b. Total number of permanent staff by type of contract and sex c. Total workforce and workers as employees, by sex d. Total workforce by region and sex e. Indicate whether a significant amount of work is carried out by workers who are legally considered self-employed or workers who are not considered employees or self-employed, including workers of contractors who are not considered employees f. Please indicate any significant changes in the number of employees (e.g. seasonal changes in the tourism or agricultural sectors). 	
G4-11	Percentage of employees covered a collective agreement.	58 ✓
G4-12	Describe the company's supply chain.	66 - 70 ✓
G4-13	Significant changes during the reporting period in size, structure, ownership and supply chain.	9 ✓, 14 ✓
G4-14	Explanation of whether and how the organization applies the preventive approach or principle.	28 ✓
G4-15	Externally developed economic, environmental and social statutes, principles or other initiatives to which the organisation agrees or subscribes.	27 - 32 ✓
G4-16	Membership of associations (e.g. industry associations) and/or national/international organisations which the organisation: <ul style="list-style-type: none"> • has positions on the governing bodies; • participates in projects or is a member of committees; • makes a significant financial contribution, in addition to membership fees; or • sees membership as strategic. 	14 ✓

GRI	Description	Page
Relevant aspects and scope of the report		
G4-17	a. A list of all establishments included in the consolidated financial report or similar documents. b. Indicate if any operations listed in the consolidated financial report or similar document are not included 6 V in this report.	6 V
G4-18	Date of last report.	6 V
G4-19	List all relevant aspects identified in the process of defining the content of the report. For each relevant aspect, report the definition of the aspect within the organization as follows: a. Indicate whether the aspect is relevant within the organisation b. If an aspect is not relevant for all operations within the organisation (as described in G417), select one of the two approaches: – list all operations listed in G417 for which the aspect is not relevant – or list all operations listed in G417 for which the aspect is relevant Indicate any specific limitation on the definition of aspects within the organisation.	Included within the chapters
G4-20	For each relevant aspect, report the definition of the aspect outside the organization as follows: • Indicate whether the aspect is relevant outside the organisation • If the aspect is relevant outside the organisation, identify any groups, organisations or elements to which the aspect is relevant. Please also indicate the geographical location where the aspect is relevant for the groups or organisations concerned. • Indicate any specific limitation on the definition of aspects outside the organisation.	Included within chapters
G4-21	Explanation of the impact of any change to information provided in previous reports and the reasons for the change to the information.	n/a
G4-22	Significant changes from the previous reporting period in the scope and definition of aspects.	n/a
G4-23	Stakeholder involvement	
G4-24	A list of stakeholder groups working with the organisation.	6 V
G4-25	Provide the basics of stakeholder identification and selection for collaboration.	6 V
G4-26	Please indicate approaches to engagement, including frequency of engagement by type and by stakeholder group, and specify whether stakeholder engagement was due to the preparation of this report.	26 V, 27 V, 38 V, 56 V, 62 V
G4-27	The key themes and concerns that emerged from the engagement with stakeholders and how the organization responded to these key themes and concerns, including its reporting. Indicate which stakeholders raised which themes and interests.	26 IN, 27 IN, 56 IN
Report profile		
G4-28	Reporting period (e.g., fiscal/calendar year) for the information provided.	5 V
G4-29	Date of last sustainability report (if any).	5 V
G4-30	Reporting cycle (annual, biennial, etc.).	5 V
G4-31	Contact person for any questions about the report or its content.	100 V
G4-32	a. Indicate which 'in ' option you have chosen b. Publish the GRI Content Index according to the selected option c. Provide a reference to the external verification of the report if the report has been externally verified.	a - 5 V, 6 V b - 92 V c - 99 V
G4-33	a. State the firm's policy on current practice with respect to external assessment of the report b. If not specified in the Verification Report, please indicate the scope and nature of the external verification c. Indicate the organisation's relationship with the external verifier d. Indicate whether the highest governance body or senior managers are involved in external verification of the report.	6 V
G4-34	Structure of the organization's governing body, including committees under the highest governing body. Identify the bodies responsible for economic, environmental and social decisions.	16 - 19 V

GRI	Description	Page
Management		
G4-35	State the process for delegating authority and responsibility for economic, environmental and social issues from the highest governance body to senior directors and other staff.	25 ✓
G4-36	Indicate whether the organization has identified a position or positions at the executive - executive level with responsibility for economic, environmental and social issues and also whether these positions report directly to the organization's highest governance body.	25 ✓
G4-38	Indicate the composition of the supreme administrative authority and its committees according to: <ul style="list-style-type: none"> - executive or non-executive level - Independence - term of office in the institution - the number of other significant positions and commitments and the nature of those commitments - Gender - participation of under-represented social groups - competence in relation to economic, environmental and social issues - stakeholder representation 	16 - 19 ✓
G4-39 officer	Indicate whether the chairman of the supreme administrative authority is also the chief executive (and if so, what is his/her function in the management of the organisation and the reasons for his/her inclusion).	17 ✓
G4-40	a. Indicate how the nomination and selection process for members of the supreme governing body and its committees is conducted and the criteria used to nominate and select members of that body, including whether: <ul style="list-style-type: none"> • diversity is assessed • independence is assessed • expertise in the economic, environmental and social fields is considered; and • how stakeholder groups (including shareholders) are included in the selection 	19 ✓
G4-41	Please indicate the processes in place to ensure that conflicts of interest are avoided in the highest administrative authority. Indicate whether conflicts of interest are disclosed to interested parties, especially if they are: <ul style="list-style-type: none"> • Membership of several governing bodies • Co-ownership by supplier companies and other stakeholders • the existence of a controlling shareholder • Related party disclosures 	20 ✓
G4-42	State the roles of the board of directors and senior directors in developing, approving and updating the company's goals, values and mission, strategies, policies and objectives in the economic, environmental and social areas.	17 - 19 ✓
G4-51	Indicate what the remuneration policy is for the highest governance body and senior directors for these types of remuneration: <ul style="list-style-type: none"> • fixed and variable pay <ul style="list-style-type: none"> - performance-related pay - remuneration in the form of shares in the organisation - bonuses - non-preferred shares and equity rights • signing bonuses and incentive payments on joining • payments on termination of employment • withdrawal of payments • benefits, including the difference between the scheme of such benefits and the level of contribution for the highest administrative authority, senior directors and other employees. Indicate how the remuneration performance criteria relate to the highest governance body's economic, environmental and social objectives.	
G4-52	Specify the process that determines rewards. Indicate whether remuneration consultants are involved in the remuneration and whether they are independent of management. Indicate any other relationships these consultants have within the organisation.	18 ✓
G4-53	Indicate how stakeholder views are taken into account in remuneration, including voting results on remuneration policies and proposals (if applicable).	18 ✓
Ethics and Integrity		
G4-56	Describe the values, principles, standards and norms of conduct in the organization, such as a code of ethics or code of conduct.	27 - 32 ✓
G4-57	Indicate internal and external mechanisms for advising on ethical and legal issues and topics related to the integrity of the organisation, such as ethics or advice lines.	31 ✓
G4-58	Indicate the internal and external mechanisms for reporting suspected unethical or illegal conduct and issues related to the integrity of the organisation, such as escalation of such information down the management line, whistleblowing mechanisms and hotlines for reporting such conduct.	31 ✓

MANAGERIAL APPROACH

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Economics	
Economic performance	
Market presence	11 ✓, 86 - 90 ✓
Practices in the supply chain	
Environment	
Materials	
Energy	
Water	
Biodiversity	
Sewage and waste	72 - 84 ✓
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Supplier environmental assessment	
Product portfolio	
Social area	
Labour practices and decent working conditions	
Employment	
Worker/OSH management relations	47 - 59 ✓
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Diversity and Equal Opportunities Human Rights	
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Customer privacy	37 - 39 IN , 42 IN
Compliance with legislation Local communities	

PERFORMANCE INDICATORS

GRI	Economics	Page
Economic performance		
G4-EC1	Direct economic values created and distributed.	(9) (✓) (.) (11) (✓) (.) (12) (✓) (.) 86-90
Market presence		
G4-EC6	Proportion of senior managers recruited from local communities for significant local company activities.	17 ✓, 19 ✓
Practices in the supply chain		
G4-EC9	Expenditure ratio of local suppliers in major operations.	68 ✓
GRI	Environment	Page
Materials		
G4-EN1	Materials used, indicating their weight or volume.	74 ✓
G4-EN2	Percentage of recycled input used.	74 ✓
Energy		
G4-EN3	Energy consumption in an organisation.	75 ✓
G4-EN4	Energy consumption outside the organization.	75 ✓
G4-EN6	Energy savings.	75 ✓
Water		
G4-EN8	Total volume of water abstracted with source.	77 ✓
Biodiversity		
G4-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.	80 ✓
G4-EN12	Description of significant impacts of activities, products and services on biodiversity in protected areas and areas outside protected areas of high biodiversity value.	80 ✓
Sewage and waste		
G4-EN23	Emissions of ozone-depleting substances by mass.	78 ✓
G4-EN24	Total weight of waste, indicating type and method of disposal.	79 ✓, 80 ✓
G4-EN25	Total number and extent of significant contamination.	78 ✓
Products and services		
G4-EN27	Scope for minimising the environmental impact of products and services.	75 ✓
Total		
G4-EN31	Total expenditure and investment on environmental protection, indicating the type.	74 ✓
Supplier environmental assessment		
G4-EN32	Percentage of new suppliers that have been screened for compliance with environmental criteria.	70 ✓, 79 ✓
G4-EN33	Significant current and potential negative environmental impacts in the supply chain and actions to address them.	70 ✓, 79 ✓
Product portfolio		
G4-FS8	The financial value of products and services designed to deliver environmental benefits to individual business lines, broken down by purpose.	81 ✓, 82 ✓

GRI	Social - Working practices and conditions	Page
Employment		
G4-LA1	Total number and proportion of new hires and turnover by age, gender and region.	51 ✓, 52 ✓
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or employees, by major establishment.	54 ✓
Worker/management relations		
G4-LA4	Minimum notification period for significant operational changes, including specified in the collective agreement.	58 ✓
OHS		
G4-LA5	Percentage of the total workforce represented on formal occupational safety and health committees that help monitor and recommend occupational safety and health programs.	57 ✓
G4-LA6	Type and number of occupational accidents and diseases, days missed and absenteeism and number of deaths as a result of work activity, by region.	57 ✓
G4-LA7	Workers with a large number or high risk of occupational diseases.	57 ✓
G4-LA8	Occupational health and safety topics covered in formal agreements with unions.	57 ✓
Training and education		
G4-LA9	Average number of hours of training per employee per year, by gender and employee category.	55 ✓
G4-LA10	Skills management and lifelong learning programmes that promote the continued employability of employees and assist them in exiting their careers.	55 ✓
G4-LA11	Percentage of staff receiving regular performance appraisals and career development, by gender and staff category.	54 ✓
Diversity and equal opportunities		
G4-LA12	Composition of governing bodies and categorization of staff by gender, age group, minority group and other diversity indicators.	49 ✓

GRI	Social - Human Rights	Page
Non-discrimination		
G4-HR3	Total number of discrimination cases and implemented.	57 ✓
Freedom of association and collective bargaining		
G4-HR4	Identified activities and suppliers where the right to freedom of association and collective bargaining is significantly undermined and implemented measures to promote these rights.	70 ✓
Child labour		
G4-HR5	Identified activities and contractors where there is a significant risk of child labour incidents and implemented measures to promote the elimination of child .	70 ✓
Forced and compulsory labour		
G4-HR6	Identified activities and suppliers at significant risk of forced or compulsory labour and implemented measures to support the elimination of forced or compulsory labour.	70 ✓
Supplier evaluation in the field of human rights		
G4-HR10	Composition of governing bodies and categorization of staff by gender, age group, minority group and other diversity indicators.	70 ✓
G4-HR11	Significant current and potential negative human rights impacts in the supply chain and actions to address them.	70 ✓

GRI	Social - Society	Page
Anti-corruption measures		
G4-SO3	Percentage and total number of operations that have been analyzed for corruption risk and significant risks identified. 32	G4-SO4
	Communication and training on anti-corruption policy and processes.	32 ✓
Assessment of suppliers in terms of impact on society		
G4-SO9	Percentage of new suppliers that have been vetted for impact on society.	67 ✓
G4-SO10	Significant current and potential negative impacts on society in the supply chain and actions to address them.	67 ✓
GRI	Social - Product Responsibility	Page
Customer health and safety		
G4-PR1	Percentage of major product and service categories that are assessed for improvements in their impact on health and safety.	37 ✓
Labelling of products and services		
G4-PR5	Results of satisfaction surveys.	38 ✓, 39 ✓
Customer privacy		
G4-PR8	Total number of substantiated complaints regarding breach of customer privacy and loss of customer personal data.	38 ✓
Compliance with legislation		
G4-PR9	Monetary value of serious fines for non-compliance with laws and regulations relating to the procurement and use of products and services.	69 ✓
Local communities		
G4-FS13	Service access points in areas of low population density or financial disadvantage.	14 ✓
G4-FS14	Initiatives to improve access to financial services for disadvantaged groups.	42 ✓



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Stanovisko k Správe o zodpovednom podnikaní Všeobecnej úverovej banky, a.s. za rok 2015

Všeobecná úverová banka, a.s. (VÚB banka) vydala už svoju deviatu správu o zodpovednom podnikaní pripravenú podľa smerníc Global Reporting Initiative (Smernice GRI G3). Nadácia Pontis bola poverená spoločnosťou VÚB banka, aby overila aplikačnú úroveň Smerníc GRI G4 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 „základná“.

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 v sledovaných oblastiach. Správa je napísaná primeraným jazykom, ktorému môžu porozumieť partneri (stakeholderi) spoločnosti.

Veľmi oceňujeme, že spoločnosť využila pri príprave správy najnovšiu verziu Smerníc GRI – verziu 4 a využila aj sektorový doplnok určený pre firmy, ktoré sa zaoberajú finančnými službami.

Správu odporúčame pripraviť v budúcnosti v interaktívnej on-line verzii dostupnej na internetovej stránke spoločnosti, prípadne na špecializovanom webovom portáli určenom na informovanie verejnosti o aktivitách firmy v oblasti zodpovedného podnikania.

V Bratislave, dňa 8. júna 2016

Michal Kišša
overovateľ a programový riaditeľ pre zodpovedné podnikanie
Nadácia Pontis

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