

Communication on Progress 2012

Intesa Sanpaolo Bank Albania – Thinking ahead with you

Intesa Sanpaolo Bank Albania, a bank of Intesa Sanpaolo Group, during all the years of its operation in the Albanian Market has been committed and focused in supporting and providing its contribution to the further development of the Albanian Economy, its growth and welfare of the country.

The commitment of Intesa Sanpaolo Bank Albania has entailed the many initiatives undertaken in support of the needs of the social side of the economy including the satisfaction of all the stakeholders' needs. The Bank has been the support of the households in need and enterprises through the launch of its banking initiatives, services and product facilitating the access to credit.

Customer and stakeholders' relation represents one of the main priorities of Intesa Sanpaolo Bank Albania. Attention to our customers and communities in which we operate constitutes the essence of our way of banking. We have promoted the listening and dialogue initiatives with our stakeholders such as the Listening 100% Program, which has enabled a better interaction with our customer base resulting in tailoring our banking activity, services and products as per their needs and the objectives of the Bank.

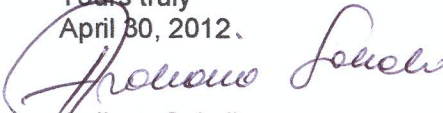
We make all the endeavors in being the responsible financial institution finding the right answer to create collective value, committed to innovation in developing products, services and business activities that can help reduce the impacts of social inequality and support other phenomenon such as protection of the environment, respect of human rights, fight against corruption.


Intesa Sanpaolo Bank Albania conducts its business based on the human rights, labor, environmental and anticorruption principles ensuring their protection, undertaking initiatives in support of the promotion of labor, environmental challenges. Our Bank adheres to the Global Compact initiative launched by the United Nation for promoting the above principles.

Our bank's success relies also on the professionalism of its committed and devoted staff, trained to ensure the wellbeing of the company and render to the other stakeholders of the Bank the spirit of cooperation and partnership, supporting theirs social aspects and needs and doing business thinking ahead with the community. All the stakeholders are offered equal opportunities contributing to the observation of the Global Compact principles.

Intesa Sanpaolo Bank Albania has based its business plans on improvement objectives set for all its levels, partnerships, stakeholders aiming at reaching both the economic growth and respect for human rights and environment.

Yours truly
April 30, 2012.


Ardiana Sokoli
Chief Business Officer
Intesa Sanpaolo Bank Albania



The commitment, improving objectives of Intesa Sanpaolo Bank Albania achieved during our banking business have been laid out in the following report, highlighting the most important aspects of the relationship between our Bank and its stakeholders

CUSTOMERS	IMPROVEMENT OBJECTIVES
<p>BANK THAT ADOPTS INNOVATION AT ALL LEVELS</p> <ul style="list-style-type: none"> • Develop a range of innovative products to promote financial inclusion for the most disadvantaged groups (eg. microcredit initiatives, mortgages for families and people in needs). • Support production with initiatives that promote innovation and research. 	<p>By the end of 2011 the bank has launched a project named SMS notification which is planned to be closed within 2012.</p> <p>The final objective of this project is implementation of the SMS Notification that will enable the bank to send notification messages to the customers on events touching the customer account (like Salary credit notification, loan installment payment etc). The implementation of SMS notification will improve the service provided to retail customers, and promote the bank name as an innovator in the market.</p> <p>Also in 2011, ISBA has signed an Agreement with ISSH, Albania (Institute of Social Insurance, Albania), through which the bank will realize the collection of the Volunteer contributions of ISSH from the Albanian citizens living in Italy. This is interesting for students - during their studying period, persons employed abroad - employers and self-employed when they are interested in having a wider social insurance coverage etc.</p>
<p>QUALITY IN RELATIONS WITH CUSTOMERS</p> <ul style="list-style-type: none"> • Enhance the quality of our customers relations by innovating and simplifying language, procedures and methods of relating with our customers (eg. Simplify communications, organisation of facilities) • Promote listening and dialogue initiatives in order to understand the needs along the customer's entire life cycle. 	<p>Customer relation represents one of the main priorities of Intesa Sanpaolo Bank Albania, following the commitment of the bank in serving to the people and community, supporting them in achieving their financial goals and fulfilling their plans. In this framework, in order to maintain excellent relations with the customers and meet their expectations Intesa Sanpaolo Bank Albania continues to be involved in ongoing communication and listening processes and undertake new initiatives.</p> <p>Among the activities as the second run of the Education Program - "Empathic Design Event - Listening 100%" concluded in 2011, the innovation on Customer Satisfaction Area is displaced through Customer Satisfaction University Award Project as well. This project, which was a success in 2011, will have a second run in 2012 for Intesa Sanpaolo Albania with the support of the International Subsidiary Banks Division of Intesa Sanpaolo. Through this initiative we</p>



	<p>will establish a stable and effective platform to steadily collaborate and foster a productive partnership between the bank and local universities. The project is aimed at recognizing student contributions and their talents mind on Customer Satisfaction and Customer Service Area. Specific working themes will be proposed by the bank and new ideas and projects will be than elaborated by the students. Intesa Sanpaolo Albania will cooperate for this project with University of Tirana, Luigj Gurakuqi of Shkodra, University of New York in Tirana and European University of Tirana.</p>
EMPLOYEES	I MPROVEMENT OBJECTIVES
<p>DEVELOPMENT OF INDIVIDUALS</p> <ul style="list-style-type: none"> • Develop initiatives in order to manage career paths and personal development of employees. • Implement projects to develop talent. • Adopt incentive systems that include transparent mechanisms that are also based on criteria of quality. 	<p><u>Implement projects to develop talent</u></p> <p>The bank within the scope of the "Executive Banking Programme" undertaken by Intesa Sanpaolo S.p.A. in co-operation with SDA Bocconi School of Management in Milan (Italy), gave to one of ISBA staff the opportunity to participate in the Project with the aim of developing the Employee's skills (preparing new talents) by attending relevant classes at least once a month, for 1 year, starting year 2011. The Program main objectives are:</p> <ul style="list-style-type: none"> - To develop high level competences and a common and shared culture on banking management. - To help creating Intesa SanPaolo's managers of the future - To give Intesa SanPaolo the opportunity to evaluate talents competencies - To create teamwork and sense of belonging - To reinforce talents motivation and promote their permanence in the Bank - To give Intesa SanPaolo the opportunity to develop internal projects and collect fresh ideas in a creative way - To align Intesa SanPaolo to the international best practices in managerial education <p><u>Adopt incentive systems that include transparent mechanisms that are also based on criteria of quality</u></p> <p>Based on the Incentive Scheme on 2010, five</p>

	<p>Branches reached the results of 2010 and were paid in May 2011. Customer Satisfaction Incentive system, is a transparent and concrete method in promoting and managing Incentive System among staff of network. Thus, the Bank paid also the Bonus Scheme to the Best Branches that achieved the Customer Satisfaction Index</p> <p>On 2011 For the second consecutive year the Bank has presented the incentive scheme related to Sales Staff.</p> <p>The Bank has paid Bonuses for the Branches that reached the Index for the 1st, 2nd and 3rd quarters of 2011</p> <p>For the year 2012 the Bank will align its incentive systems with the systems of the Parent Company.</p>
<p>DIVERSITY MANAGEMENT</p> <ul style="list-style-type: none"> • Increase female presence in key positions within the Group through specific development paths. 	<p><u>DIVERSITY MANAGEMENT</u></p> <ul style="list-style-type: none"> · Increase female presence in key positions within the Group through specific development paths. · Increasing female presence in key positions within the bank is one of the objectives of ISBA, based on merit & contribution performance. · The key positions in our bank are covered at 69% from the female presence
<p>CORPORATE WELFARE AND WORK-LIFE BALANCE</p> <ul style="list-style-type: none"> • Promote greater balance between life and working time by supporting initiatives fostering commitments for family care, with particular emphasis on flexibility in working hours and adopting vertical and horizontal part-time employment options, telecommuting and incentive measures for parental leave to contribute to a more balanced distribution of work and family responsibilities of parents. 	<p>Promote greater balance between life and working time by supporting initiatives fostering commitments for family care, with</p> <p>particular emphasis on flexibility in working hours and adopting vertical and horizontal part-time employment options, telecommuting and incentive measures for parental leave to contribute to a more balanced distribution of work and family responsibilities of parents.</p> <p>During 2011 our employees were very active also in the social life of the bank often including their children as well.</p> <p>We consider work-life balance very important and we tried to spread the initiatives during all the year by including also children and family members. A balanced life gives always better work results.</p> <p>In march we organized a group of activities "A Week</p>

dedicated to Women, who build bridges of Communication, Love and Peace", were employees were invited to watch a theater, than to "Afternoon Tea: Women's World Feelings and Poetry", a special exhibition of women painters was organized in HO premises, to give them visibility and possibility to sell, as well as weekend Party's.

To celebrate the Spring Day on 14 of March the colleagues went to an excursion in Nature, to visit the Cave of Pigeons near Tirana, more than 40 employees participated with their children and family.

The Bank continued to send for a two weeks vacation and sportive events few employees' children aged between 11-12 years, in Follonica, Italy.

30 employees were deeply involved in sportive activities of the group in June in Porto-rosé, Slovenia and in September, Sarajevo, Bosnia. In both events the Bank got the first Place and the Cup in Football Competition and the second & third place in Volley.

The Bank organized with the support of Voluntary Blood Donators Group within our bank, two very wide initiatives in April and November, were a lot of colleagues (40) donated blood for children with Talasemia.

We were commemorating World Environment Day in 6 June 2011 by organizing a Bike Contest to promote Eko-Mobility and healthful lifestyle, more than 50 employees joined with their children in the Park near Tirana Lake to cycle and enjoy the atmosphere of a green afternoon.

During October till December 2011 approximately 100 employees(20% of the employees) participated in the internal initiative "Dance to Feel the Rhythm, the Energy, Life", after the working hours, twice per week, we gathered to learn wiener

waltz, salsa, bachata, and other Latin rhythms, few of them came with their children as well.

77% of our employees participated in the Group internal initiative "Building a Common World" by uploading and voting photos related closely with their daily life, children, family and social life with colleagues.

<p>TRAINING</p> <ul style="list-style-type: none"> Development of formats and new channels of learning and strengthening existing ones. 	<p>On January 2011 in the light of the new distribution of the portfolio in the Corporate Division the bank decided also to dedicate a structured training session to the Relationship Managers of Corporate Division. The following modules were delivered:</p> <ul style="list-style-type: none"> February 2011 "Sales efficacy" March 2011 "Individual Interview" - April 2011 - "Self efficacy" Performance session and personal training <p>Furthermore, a personal analysis through Insight Discovery was performed for each Relationship Manager.</p> <p>During the year 2011, the format of "Cube 3" was the innovation in training for the SME Sales Advisor</p>
<p>SUPPLIERS</p>	<p>IMPROVEMENT OBJECTIVES</p>
<p>LISTENING AND DIALOGUE</p> <ul style="list-style-type: none"> Increasing listening and engagement. 	<p>New Procurement Manual entered in Force on April 1, 2011 increased the communication with suppliers. During 2011 were organized different meeting with suppliers.</p>
<p>TRANSPARENCY</p> <ul style="list-style-type: none"> Extend initiatives in order to foster transparency in the selection of suppliers. 	<p>Due to the new manual is accelerate the payments as established by the contract</p> <p>The creation of the e-portal at the bank website for publishing the Ongoing biddings.</p>
<p>PROMOTE SOCIAL AND ENVIRONMENTAL SUPPLIER SUSTAINABILITY</p> <ul style="list-style-type: none"> Qualify suppliers also on the basis of environmental and social requisites. 	<p>During 2011 were insert in the document of Tender Participation the form "Social Responsibilities of Suppliers"</p> <p>Commitment to supporting protection of human rights is an integral part of the selection and contracting proces</p>
<p>ENVIRONMENT</p>	<p>IMPROVEMENT OBJECTIVES</p>
<p>Use of renewable</p>	

MANAGEMENT OF DIRECT ENVIRONMENTAL IMPACTS	energy	
	Progressive reduction of electricity consumption	Electricity consumption is regularly checked and kept under control
	Extension of use of environmentally friendly or recycled paper and reduction of paper consumption	Paper consumption is under control , also the usage of the recycled paper for internal printing
	Mobility management	The branch are allocated in the places of public transport easily accessible, also during 2011 were used the bicycles with Intesa Logo
COMMUNITY		IMPROVEMENT OBJECTIVES
SUPPORT TO THE THIRD SECTOR <ul style="list-style-type: none"> Development of initiatives in partnership with social enterprise and non-profit organisations. 		<p>The Bank in cooperation with Partners Albania and Euroclid organized a round table with third sector representatives in order to identify the specific needs of this sector and initiate the structuring of tailored services dedicated to this sector. The Head of Retail and the Head of SME attended the meeting. As an immediate result the Bank changed the terms and conditions creating some facilitations for the third sectors in the field of commissions.</p> <p>During 2012, the bank intends to reinforce its links with the third sector, improving relationships with the third sector and the portfolio of products</p>
SUPPORT TO CULTURE AND SOCIAL SOLIDARITY INITIATIVES <ul style="list-style-type: none"> Support cultural activities also through sponsorship and donations (max two initiatives, please quote the grants accorded). 		<p><u>During 2011 the main social contribution of the Bank was:</u></p> <p>Customer Satisfaction University Award was the last project implemented by the Customer Satisfaction Unit, which started in October 2010 and was running for 8 months being finalized with the Award Ceremony on Thursday, 5 May 2011.</p> <p>One of the main objectives of the project was to open a "corridor" between local universities and ISBD in order to generate improvements and new actions plans for the development of CS needs, to increase the working potential of this Unit, root out talented minds,</p>

that could potentially be new employees, making available a unique international experience in Customer Satisfaction within an academic environment. That was a real

project on customer satisfaction, giving students a big opportunity for the future, creating the conditions to pass from project outputs were the establishment of a stable and effective platform and a productive partnership between the bank and local universities. This student competition was implemented as a result of a close cooperation between Faculty of Economics of the University of Tirana, "Luigj Gurakuqi" University in Shkodra, "Fan Noli" University in Korça and Intesa Sanpaolo Bank Albania. Many students participated, among them only 12 were selected. They were organized in teams of two participants each and they created real customer satisfaction projects, which will be implemented in a real working environment, enabling them gain an excellent international experience. At the end of the year the winning team was invited in Milan for the international selection of the best idea from all ISBD Banks.

the other initiative was an internal the sponsoring of the Little genius a TV show that promotes young talents. The bank associated this to its advertising activity

Intesa Sanpaolo Bank Albania financed a scholarship for post university studies in Italy

The Italian Language Week was inaugurated on Monday, October 17, with a ceremony organized in the Italian Language Department of the Foreign Languages Faculty, University of Tirana where the Italian Ambassador, Saba D'Elia and the Minister of Education, Myqerem Tafaj held a speech. During the ceremony were also given the 4 scholarships for post University Studies in Italy, one of them was financed by Intesa Sanpaolo Bank Albania with Euro 4,000. Supporting the education and creating the multidisciplinary communication bridges between Italy and Albania is an important part of our bank's mission, belonging to Intesa Sanpaolo Group.

In 2012, the University Award will continue, the Bank plans to also continue sponsoring one Intercultural internship and initiate a cooperation with high schools in Albania, similar to the Quotidiano in classe in Italy.