

Intesa Sanpaolo Bank Albania
A bank of Intesa Sanpaolo Group

Communication on Progress Year 2008

Intesa Sanpaolo Bank Albania, as part of Intesa Sanpaolo Group works to provide quality banking and financial services to its customers, supporting the development of families and of the country, contributing to the improvement of financial services provided to Albanian communities in Albania and abroad. We aim to achieve sustainable results and the creation of a process based on the trust deriving from customer and shareholder satisfaction, a sense of belonging on the part of our employees and close monitoring of the needs of the community.

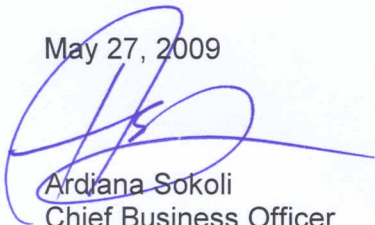
In addition to providing professional banking activity in Albania, Intesa Sanpaolo Bank Albania has always been committed to offer its greatest contribution to Albanian community and environment by giving rise to promotion of many business policies, undertaking initiatives covering many aspect and activities of social life with special focus on Albanian Community, based on Global Compact Principles.

Being driven by the force of protecting human rights, environment, fight against corruption, money laundering, labor rights and promotion of development we shall continue our efforts in increasing the community awareness as above and continue to improve the Albanian reality through our future projects.

Intesa Sanpaolo Bank Albania joins Intesa Sanpaolo Group efforts to contribute to the preservation of our natural environment, health, work, the future, the well-being of the entire community and the protection of the social relations system. Attached your will find the achievements of Intesa Sanpaolo Bank Albania in the framework of Global Compact Principle project.

Yours truly,

May 27, 2009



Ardiana Sokoli
Chief Business Officer
Intesa Sanpaolo Bank Albania

SOCIAL AND ENVIRONMENTAL

CUSTOMERS

What was done in 2007

- During 2007 in order to ameliorate communication with customers, we have prepared and distributed to the all counters of customer service area a feed back form to receive complaints and suggestion from customers. All forms collected are forwarded to Relationship Manager.
- In order to ensure the transparency in its communication with customers, ABA has created during 2007 leaflets in the form of Questions and Answers which guarantee a simple banking languages understandable for every category
- All corporate customers have a dedicated client executive to assist them throughout all banking services and to coordinate with all bank departments. In addition, a special unit within the Bank has been created to facilitate salary payment processing considering that salary payment through banks is a reality of these two last years.
- To facilitate accessibility to banking services ABA has expanded its branches network both in Albania and Greece, off site locations of ATM, build up a 750 plus POS network (offering reduced payment for GSM communication thanks to agreements signed by the Bank with mobile telecommunication companies (the land line in Albania is not covering the whole territory)) on-line deposits or payments for internet banking users; direct debit agreement for utility payment companies, state taxes.
- The bank has signed during 2007 agreements with Municipality and KESH (electricity company) for payment of local taxes and electricity bills through point of sale terminals helping to reduce cash in circulation. These initiatives were supported by a BTL campaign and website promotion. In addition a mobile team of POS support was constantly in contact with the staff of KESH and Municipality in order to help them solving the problems immediately.
- ABA is the first bank in the country to have introduced a Help-Desk function, a team of 4 people working 24 hours assisting customers mainly for electronic transactions such as Cards, Internet banking or ATM .
- With the introduction of cards, ABA started offering collateral services in cooperation with Insurance Companies, such as a travel insurance package that is offered to all ABAbusiness and Gold card holders. The cost of the insurance is covered by the bank and offered as a benefit to the customer. This additional service is part of the various initiatives of ABA to educate its customers with financial services that are commonly used in the western world
- ABA signed an agreement with Posta Shqiptare (the national post office company with 541 outlets around the country) for remittances from Greece and Italy. In addition to the large network offered to emigrants, this agreement offered very low fees for transfers . Such remittance services allow even customers with low income to have access to banking services. In addition they bring services to remote areas of Albania
- Cooperation with public administration has been always in focus of ABA. Under corporate department a team of two people is specialized in handling the account relationship with the Public Administration offices which ensures a high efficiency in

processing transactions originated from these offices. In addition the Bank has offered to the Customs office in Albania the internet banking service for free and has sponsored in several cases computers and telephone lines to enable the utilization of this service. Following the finalization of the agreement with Customs Authorities, ABA customers can pay their customs duty through internet banking. This service not only helps reducing cash in circulation but it's a contribute to reduce corruption associated to cash, time saving, increased security and speed in completing customs procedures.

EMPLOYEES

Improvement targets 2007-2009

What was done in 2007

- All top management of ABA followed Executive Management training programs in UK to improve leadership skills.
- ABA promotes continuous learning of its staff members. All staff of the bank successfully completing Master Degrees in Albania are reimbursed for their schooling fees. Partial or full reimbursement is also offered to some of the staff members completing master degrees on-line. These reimbursement is based on their performance and contribution to the Bank.
- A latest news was introduced and circulated to all staff members to inform them on bank development, management changes, bank expansion, ISP Group news

ABA continued to make good use of internal promotions. All key management positions are primarily offered to staff members based on their performance

Important achievement was to accomplish the merger with BIA (Banka Italo Shqiptare) only based on internal resources and capabilities without using consultancy and/ or legal services.

All people involved in the merger process that had to work hard and large amount of hours were eligible to a special bonus.

During 2007, at least 10 students had the opportunity to get an internship at ABA. This is a tradition from the past.

All vacancies are published on the internal net and employees are encouraged to apply before outsiders are interviewed.

Executive training of top managers during 2007 was used to improve their skills for staff appraisals

Participation of top managers in the meetings of the Group helped ABA in sharing best practices with other banks of the ISP

The reviewed HR manual was during 2007 available on- line for all employees.

ABA managed to sign in 2007 a special agreement with Medical response for Diplomatic Corps to cover medical emergencies for all staff members and their families

An improved health and travel insurance policy was agreed upon with one of the main private insurance companies for all ABA staff.

ABA has introduced a mortgage facility for its employees at reduced interest rates. Notwithstanding the young average age of ABA staff – 29 years, almost 20% of them, own their own apartments thanks also to the favourable financing conditions

OUR RELATIONSHIP WITH THE ENVIRONMENT

What was done in 2007

Paperless Bank – this is the project initiated by ABA in 2007 aiming at reducing paper flow from front to back office

ABA signed in March 2007 the Global Compact Initiative, In this framework ABA was invited by UNDP Albania to co-chair together with Vodafone the best CRS practices

ABA has issued special instruction to employees to turn off every light in the Bank (and all equipment) in order to save energy .Daily checks are effected

During 2007, a special effort was made to ensure an agreement for the collection of the paper used by a third company. To this purpose a special waste basket was given to each staff member to use for the paper only

Environmental assessment procedure is already part of credit policies of ABA since 2000.

Participation in the Global Compact Initiative – the only bank in Albania to date

We were contacted and will be cooperating in an initiative that will promote planting trees in the primary schools. Classes of children will be encouraged to plant their tree and then take care of the “Adopted tree” ,

ABA has issued special instruction to employees to turn off every light in the Bank (and all equipment) in order to save energy

COMMUNITY

What was done in 2007

In 2007 all ABA employees agreed to pay monthly from their salary a contribution to Ryder Albania – a project supporting terminal cancer patients.

ABA supports yearly the Albanian Children Foundation in addition to contributing to the fund raising Gala that this Foundation organizes.

ABA was a sponsor of the event organized by the Friends of the National Gallery helping to collect funds for this gallery through Gala Dinner and Paintings Auction

In 2007, ABA was one of the sponsor of Butrinti International Theatre Festival which promotes the values of one of the oldest Albanian archaeological sites of the Balkans together with the values of various theatre coming from all over Europe (July)

ABA was in 2007 the main sponsor of Maria Kraja – the only international lyric song festival taking place in Albania

During 2007, 5 Albanian painters exhibited their works at ABA premises. The paintings are available for sale to the general public.

During 2007 ABA was successful in putting together a group of sponsors that together with us will organize in Albania for the first Milan Junior Camp. This activity is in line with Group guidelines. More than 400 Albanian children will have the chance to play with A.C. Milan colors and be trained by A.C. Milan trainers.

Global Compact Principles objectives and achievements

Global Compact Principles	Community and Employee Oriented Initiatives of ISP Bank Albania
<p>Business should support and respect the protection of internationally proclaimed human rights</p>	<ol style="list-style-type: none"> 1. ISP Bank Albania activity is fundamentally based on protection of Human Rights reflected in the Code of Ethics, policies and procedures adopted by the Bank. 2. ISP Bank Albania continues to be committed to provide access to banking service to all Albanian citizens and foreigners irrespective of their origin, religious and ethnical background 3. ISP Bank Albania has favored the educational support of its employees through financing of Masters' studies, training programs, seminars serving to both the bank and community. 4. The Bank has undertaken initiatives to the benefit of the its employees through offering the Bonus scheme based on employee performance, saving scheme, life insurance, and health support program. 5. The Bank is an attractive environment to all interns, assisting them in developing a career, through its internship programs offered to students studying in Albania and abroad. 6. The bank has published in the public area the Human Rights as proclaimed by the Global Compact in order to increase public among its clients 7. In addition Principles of Global Compact have been incorporated since last year in the procurement documents while signing the contract with our suppliers.
<p>Business should make sure that they are not complicit in human right abuses</p>	<ol style="list-style-type: none"> 1. The Bank activity is organized based on the organization, management and supervision model, which provides the rights and responsibilities of the employees, required to respect the Code of Ethics and Code of Conduct of the Bank 2. The Bank has adopted special policies concerning the selection of its suppliers based on the values and principles of the Code of Ethics with the aim of protecting Human Rights 3. The Bank through its professional customer services continues to introduce to the Albanian community the existing and new banking products and services and make them aware of benefits, advantages, rights and responsibilities. 4. ISP Bank Albania has launched a project concerning the satisfaction of customers and their complaints regarding the Bank products and Services named "We are listening", carrying out surveys for figuring out how we meet their needs

	<p>5. Human Resources Department plays a key role in diffusion of the corporate culture, values and commitments, human rights and employees' responsibilities through out the Bank.</p>
<p>Business should uphold the freedom of association and effective recognition of the right to collective bargaining</p>	<p>1. All the employees of ISP Bank Albania are guaranteed their right to participate, organize themselves in activities promoted for the protection of their human rights. The Code of Ethic updated this year is available to every single employee.</p> <p>2. Intesa Sanpaolo Banking considers that sports can help the staff to increase communication and spirit of belonging, in this respect a male football team and a female volleyball team have been created in the Bank. Their activity is financially supported by the Bank as well as their participation in international activities of the Group abroad.</p> <p>3. ISP Bank Albania has established a friendly working environment and focused on the value of the individual for the operation as a Bank. The Bank uses dialogue and listening as tools for continuously improving the relation between employees, employees and superiors, Bank and community, etc.</p> <p>4. The Bank, since one years has a House Organ published quarterly where several issues concerning the staff are published.</p>
<p>Business should support the elimination of all forms of forced and compulsory labor</p>	<p>1. ISP Bank Albania is fully committed in respecting the legislation of the Republic of Albania, the Labor Code prioritizing the work of its employees. Therefore, the rules, policies, and procedures of our bank have been developed so each employee will be treated fairly, equally, and consistently prohibiting forced labor.</p> <p>2. The Bank informs its employees on the need of extra working hours scheduling them for the purpose of retaining the effective performance and progress of the Bank. Overtime is always paid in compliance with the Labor code.</p>
<p>Business should support the effective abolition of child labor</p>	<p>1. The Bank fully supports and prohibits employment of minors and it observes the legislation of the Albanian Republic. This issue is reflected in all the policies of the Bank. The Bank will continue to be a promoter in abolition of child labor.</p>
<p>Business should support the elimination of the discrimination in respect of employment and occupation</p>	<p>1. ISP Bank Albania is an equal opportunity employer. It is the bank's policy to grant equal employment opportunity (EEO) to all qualified persons without regard to race, sex, religion, age, national origin, disability or retired person.</p> <p>2. One of our values is Equity, committed to eliminate all forms of discrimination with respect to difference of gender, age, race, religion, political affiliation, language and ability.</p>

	<p>3. The Bank participate regularly in Job Fairs and publishes job vacancies in public means of communication in order to allow access to everybody to apply.</p>
<p>Business should support a precautionary approach to environmental challenges</p>	<p>1. Protection of the environment is one of the aspects of our commitment to responsibility focused on reduction of waste and environmental and social consequences of ISP Bank Albania decisions.</p> <p>2. ISP Bank Albania makes use of energy efficient systems intending to reduce energy consumption.</p> <p>3. Responsible consumption of paper and greater use of ecological paper;</p> <p>4. Attention to the proper collection and disposal of waste products;</p> <p>5. "Green" purchases – purchase (providing the same degree of functionality) of equipment, work tools and consumer goods with a lower environmental and social impact throughout their life cycle.</p> <p>6. Management of environmental emergencies – preparation of suitable prevention and protection measures for emergency situations.</p>
<p>Business should undertake initiatives to promote greater environmental responsibility</p>	<p>1. ISP Bank Albania keeps its employees informed increasing their awareness on environmental responsibility and make them act environmentally friendly.</p> <p>2. All employees are instructed to turn off the office lights, turn off and unplug their computers after work.</p> <p>3. ISP Bank Albania promotes reduction of paper use and it is guided by the slogan "Think of the environment before printing".</p> <p>4. Procurement policies reviewed last year encourage purchase of energy saving lamps for branch signs. In addition a policy to turn off lights and equipment using energy, during non working hours is in place and monitored by the security department</p>
<p>Business should encourage the development and diffusion of environmentally friendly technologies</p>	<p>1. Within the framework of environmentally friendly technologies ISP Bank Albania is committed to develop such technologies.</p> <p>2. The technology implemented in the Bank for banking</p>

	software, cards, ATMs have parameters in compliance with environmental standards
Business should work against corruption in all forms	<p>1. Committed to fight corruption, ISP Bank Albania respects all Laws of the Republic of Albania.</p> <p>2. ISP Bank Albania has adopted Code of Ethics, Code of Conduct.</p> <p>3. Compiles Bank policies and procedures in compliance with the legislation in force.</p> <p>4. Lending officers have a special training on this topic</p> <p>5. The power of granting loans is split between at least two functions : Commercial and Risk</p>