



UN Global Compact Progress Report 2011



BANCA INTESA

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ADDRESS BY THE PRESIDENT OF THE EXECUTIVE BOARD



Dear Sirs/Madams,

The global economic crisis brought with it growing expectations in the public regarding the role of companies in the community life, and social and environmental awareness of the corporate sector was put to the test more than ever before. I am proud of the fact that Banca Intesa not only continued to invest in corporate social responsibility activities and projects in very difficult business conditions, but further strengthened its activities in this field.

Recognising the responsibility that comes from our position as the leading bank in the country, the largest employer in the domestic banking sector and a community member, we are firmly committed to incorporating social responsibility in all areas of our business, maintaining a constant balance between our economic and social objectives. We actively promote socially responsible practices and continually improve our activities in this regard in accordance with the needs of all stakeholders. Such a commitment is in full compliance with the principles of the United Nations Global Compact that are the foundation of our daily business. We are confident that their integration in all our business activities creates real value for our clients, employees, shareholders, as well as the whole community.

The second progress report of Banca Intesa is practically a guide through CSR projects and activities that we implemented during 2011. This publication shows that, in addition to good business performance, we also achieved significant progress in the field of corporate social responsibility through more dynamic and better participation in the community life and care of the environment. We maintained the continuity of our existing projects, launched new initiatives and continued to invest in young people, education, culture, arts and health. In addition, we adopted a corporate social responsibility strategy institutionalising corporate responsibility and defining the objectives that we wish to achieve by acting in the spheres of the market, community, work environment, environment, as well as the governance model development.

Our stable operation gives us a basis to be even more socially engaged in the future, to act more responsibly, more generously and more humanely. We are guided in this by the Global Compact principles, as well as by our strong commitment to be recognised as a universal banking institution providing systemic support and measurable contribution to the community with which it lives and in which it operates.

Sincerely,

Draginja Đurić, President of the Executive Board of Banca Intesa



Banca Intesa Belgrade is the leading bank in the Serbian market, a universal financial institution that ranks first in the country by all major banking operations criteria – total assets, total placements, total deposits and total revenue.

More than 1.54 million clients – individuals, entrepreneurs, small and medium-sized enterprises, large companies and local self-governments have recognised the strength, stability and reliability of Banca Intesa. Our professional team of more than 3,000 employees takes daily care of the needs and satisfaction of our clients through our business network consisting of more than 200 branches strategically positioned across the country.

Combining the best international practices of its parent banking group Intesa Sanpaolo and rich international experience with local knowledge, Banca Intesa designs the most advanced solutions for the needs of its clients, while striving to achieve top results in all business segments, provide optimum customer service and active support and substantial contribution to the whole community in which it operates.

www.bancaintesa.rs



Intesa Sanpaolo is one of the leading banking groups in Europe and the largest in Italy, where it serves about 10.8 million clients through a network of over 5,580 branches. Created by the merger of the leading Italian banks, Sanpaolo IMI and Banca Intesa, the Group holds the leading position in Italy in terms of providing financial support to retail and corporate clients.

Intesa Sanpaolo is one of the leading banking groups in Central and Eastern Europe, the Middle East and North Africa, where it serves 8.3 million clients through a network of more than 1,600 branches. The Group also provides support to corporate clients through an international network covering 29 countries, with a focus on the Middle East, North Africa, United States, Russia, China and India.

With a history of over 400 years, Intesa Sanpaolo Group is a strong and reliable partner to its clients, with a clear commitment to ensure their safety and provide them with the best financial solutions for their projects and with a belief that the ability to create real value for the community as a whole is the path to sustainable development.

www.intesasanpaolo.com



CORPORATE VALUES

- **Integrity** - We realize our objectives honestly, correctly and responsibly, respecting the rules and ethical principles of the profession.
- **Excellence** - We are committed to continuous improvement and to fostering creativity in service of innovation.
- **Equality** - We oppose discrimination of any kind and respect gender, racial, religious, political, intellectual as well as age diversities and differences.
- **Transparency** - Transparency is the foundation of all our activities, our communications, our contracts for the purpose of enabling our clients to bring their own autonomous and conscientious decisions.
- **Respect for the individual** - We carefully listen to and constantly work on improving relationship with each and every client of ours.
- **Individual values** - The value of each and every individual is a guideline for our *modus operandi*: we use listening and dialogue techniques as a tool for ongoing improvement of our relations with all of our interest groups.
- **Responsible use of resources** - We strive to carefully use all resources, promote behaviour based on the optimal use of resources and avoidance of losses.



GLOBAL COMPACT

Banca Intesa fully supports and promotes ten principles of UN Global Compact in the area of human rights, labour, environment and anti-corruption:

Human rights:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: Businesses make sure that they are not complicit in human rights abuses

Labour:

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: elimination of all forms of forced and compulsory labour
- Principle 5: the effective abolition of child labour;
- Principle 6: the elimination of discrimination in respect of employment and occupation

Environment protection:

- Principle 7: Businesses should support a precautionary approach to environmental challenges
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

Anti-corruption:

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

CORPORATE SOCIAL RESPONSIBILITY

Banca Intesa is fully committed to achieving business success in a socially responsible manner, constantly caring for the community and the satisfaction of its clients and employees, while striving for minimal negative environmental impact. The Bank is focused on the achievement of business goals that are optimal not only from the economic standpoint but also in terms of the impact on the whole community and the environment.

This is achieved by observing the highest professional standards and by introducing ethical responsibility as a criterion in the decision-making process, which Banca Intesa demonstrates with respect to the demands and needs of all stakeholders – employees, clients, suppliers, shareholders and the community, while trying to integrate social and environmental objectives in the development of its products and services.

The Bank applies clear and transparent rules and policies in its operation and fosters an open and unambiguous communication with stakeholders, making available the information about how it generates lasting value for all members of the society.

In its business activities, Banca Intesa is guided by the following values, principles and policies:

- The United Nations Global Compact
- Code of Ethics
- Internal policies

In addition, the Bank is an active member of organisations engaged in promoting corporate social responsibility, as follows:

- The United Nations Global Compact
- Business Leaders Forum Serbia
- American Chamber of Commerce
- Serbian Association of Managers

1. CORPORATE GOVERNANCE

CORPORATE SOCIAL RESPONSIBILITY STRATEGY

In order to systematise and incorporate its commitment to corporate social responsibility into all segments of its operations, in 2011 Banca Intesa adopted the Corporate Social Responsibility Strategy, as a strategic document, institutionalizing this business model within the organisation. This three-year strategy calls for the incorporation of social responsibility in the decision-making process at the Bank level, as well as in everyday business activities. It defines goals in five areas in which Banca Intesa measures its commitment to CSR:

1. Corporate governance
2. Community
3. Market
4. Environment
5. Workplace

Definition of Banca Intesa Corporate Social Responsibility Strategy:

To Banca Intesa, corporate social responsibility presents the implementation of governance practices that recognise the needs of all stakeholders in order to ensure that the Bank minimises the negative impacts of its operations and maximises their positive impacts.

POLICY OF ENVIRONMENTAL PROTECTION AND IMPROVEMENT OF ENERGY EFFICIENCY

With the aim of promoting and developing the concept of environmental responsibility, applying the best standards and identifying innovative and effective solutions in this area, in 2011 Banca Intesa started drafting the Policy of Environmental Protection and Improvement of Energy Efficiency, in accordance with the relevant document of its parent group Intesa Sanpaolo. The aim of adopting the Policy of Environmental Protection and Improvement of Energy Efficiency is the prevention, management and, where possible, reduction of environmental impacts, including those related to energy consumption that are caused by direct or indirect activities of the Bank.

As a socially responsible company and an active participant in the life of the community in which it operates, Banca Intesa is aware that, in addition to economic responsibility, it has to be responsible for the consequences of its decisions in the environmental sphere, including energy consumption. Environmental protection, based on the principles of waste reduction and improvement of energy efficiency and performance, is therefore one of the key objectives of the Bank's commitment to corporate social responsibility.

PROCUREMENT POLICY AND GOODS AND SERVICES PROCUREMENT PROCEDURE

In accordance with its belief that the commitment to corporate social responsibility is reflected in all daily activities of the company, in 2011 Banca Intesa started to develop a new Procurement Policy and Goods and Services Procurement Procedure, which include corporate social responsibility as one of the criteria when selecting suppliers. Thus, the Procedure takes into account the level of commitment of potential suppliers in the field of corporate social responsibility, and also provides for a questionnaire on basic company data that includes a question relating to corporate social responsibility.

2. COMMUNITY

PRESERVATION OF CULTURAL AND HISTORICAL HERITAGE

The Place I Love

Committed to participate actively in solving issues of social importance, Banca Intesa has recognised the cultural and historical heritage of Serbia as a part of the national being and identity of our country, which is facing insufficient investments due to socio-economic conditions that put focus on existential problems and pushed aside the projects of cultural and historical heritage protection, but also as an area that is rarely in the centre of attention of the corporate sector. Although the government is investing significant efforts in improving the situation in this area, it is essential that as many members of the society as possible get involved in the preservation of cultural and historical wealth and give their contribution.

In mid-2011 the Bank launched a unique corporate social responsibility project in the country named “The Place that I Love”, designed with the desire to protect, restore and preserve from oblivion the cultural and historical heritage of Serbia. The aim of the project was to create a database of sites of particular sentimental value to the citizens of Serbia and to restore three places or locations that win the most votes of citizens in the competition accompanying the project. The project is also aimed at reminding the general public of the wealth of the cultural and historical heritage of our country and the need to preserve it, as well as the active involvement of citizens in the efforts to preserve our history and tradition for generations to come.





In the first phase of the project, the citizens nominated places for restoration, and a total of 1,290 proposals arrived at the Bank's address via the official website of the project, specifically designed postcards in the branches and the Bank's call centre. The Expert Committee made a list of ten short-listed proposals among which three winners were selected. Based on 200,220 votes, it was

decided to spend the planned RSD 30 million on restoring the Remains of the National Library in Kosačićev Venac, which was destroyed during the bombing of Belgrade in 1941, the Belgrade Gate at the Petrovaradin Fortress and the town walls in Novi Pazar.

The project "The Place that I Love" is implemented with the support of the Ministry of Culture and the help of the non-profit organisation Europa Nostra Serbia and the Republic Cultural Monument Preservation Institute. It is inspired by the I Luoghi del Cuore (Place in the Heart) initiative, which is implemented in Italy, the country with one of the greatest cultural and historical heritages, by the non-profit organisation FAI with the support of the Intesa Sanpaolo Group. In this way, as part of its CSR activities, Banca Intesa seeks to transfer its rich international experience to the domestic market and contribute to sustainable development of our country through the project of interest to the entire Serbian society.



Remains of the National Library



The National Library, founded in 1832, had around 300,000 books, 1,390 hand written books, charters and other writings, over 100 of which on parchment, which dated back from the 12th, 13th and 14th century. It also had collections of Turkish manuscripts, books printed from the 15th to the 17th century, old maps, pictures, newspapers, a collection of all books printed in Serbia since 1832, as well as those printed in the neighbouring countries, but also complete libraries of Vuk Stefanović Karadžić, Đura Daničić and others. On the eve of bombing

at the start of World War II, on April 1, 1941, everything was ready for library evacuation, but the Ministry of Education prohibited the evacuation of educational and cultural institutions of Belgrade on April 3 and ordered that all valuable objects be put in the basement. The library was hit by bombs on April 6. Everything in it is believed to have burnt down.

Belgrade Gate



Built from 1692 to 1780 on a hill above the Danube as a fortification, Petrovaradin consists of the Upper and the Lower Town. The Upper Town is a fortress, surrounded by high ramparts with steep, serpentine slopes, while the Lower Town consists of a small settlement with narrow streets. Belgrade Gate is one of the most monumental structures preserved in the Lower Town. The vaulted gate is of classicist style with two façades of different shape and proportions - the outer, 20 m long, and the inner, 40 m long, both 10 m high. The entrance façade has

six profiled columns, two iron-decorated windows and Novi Sad coat of arms. The second façade has three oval and two rectangular passages, with eight columns. The 20 m deep Gate has four in-built guardhouses and two entrances into side rooms. On both sides there are two car and two pedestrian passages.

Ramparts



The Novi Pazar fortress is located in the very centre of town, on the right bank of the Raška River. It was built by one of the most renowned Ottoman commanders, Isa-Bey-Isahović, in the 15th century when founding the town of Novi Pazar on the crossroads of caravan trails connecting Bosnia, Dubrovnik and south Adriatic with Constantinople and Thessaloniki. On the basis of the remains of ramparts, bastions and moats, a triangular base of the fortress was identified, consisting of three angular bastions, fortresses of polygonal bases and different

dimensions. After the Turkish defeat under the walls of Vienna in 1683 and the Austrian penetration to Skopje, Turkish authorities commenced the extension and fortification of the former construction. During the reign of sultan Abdulaziz (1861-1876) two new towers were built, an arsenal, a smaller mosque and new barracks.

ASSISTANCE TO HEALTH INSTITUTIONS

Restoration of the University Children's Clinic in Tiršova Street

Convinced that the situation in which medical institutions are is the reflection of the level of civilisation development of a nation, in 2011 Banca Intesa donated funds and designed a project of reconstruction of the cardiology and cardiac surgery departments at the University Children's Clinic in Tiršova Street in order to contribute to the creation of better conditions for the treatment of



children in one of the oldest health institutions in the country.

Bearing in mind that about 1,500 children with severest heart diseases are hospitalised in these departments annually, as well as the limited financial resources of the clinic, the Bank helped with RSD 25 million the preparation and implementation of a complete plan of architectural, construction, mechanical and electrical works on an area of 480 square meters, as well as equipping the entire space.



During the works, new floor and wall coverings, partition walls and entire installations were mounted, while the dilapidated hospital signalisation system and medical gas installations were replaced with more modern units. In addition, corridors, hospital rooms and on-call rooms are equipped with new furniture, and the terrace and glass roof lantern were restored again to be used as a wonderful place for the stay and play of children.

SUPPORT TO THE YOUNGEST MEMBERS OF SOCIETY

School of Friendship

Recognizing that the future and prosperity belong to the generations to come, while trying to make a positive impact on the community, Banca Intesa initiates and supports projects that are dedicated to improving the education of children and encouraging their creativity and to better living conditions in general. In 2011 the Bank continued its long-standing tradition of partnership with the non-profit organisation Our Serbia and supported the implementation of the School of Friendship project through general sponsorship. The eleventh School of Friendship at Tara was attended by a total of 600 children from Serbia and the neighbouring countries.

Send a Friendship Card

In addition, in 2011, for the sixth consecutive year Banca Intesa took part in Our Serbia's charity campaign entitled "Send a Friendship Card". This humanitarian campaign is organised for the purpose of collecting funds for the implementation of the programme of financial and psycho-social support to children and the improvement of living conditions of the youngest in underdeveloped areas of Serbia, so that the children in these areas would also have equal conditions for carefree childhood.



VOLUNTEERING

Wrap a Gift and Make a Child Smile

Wishing to bring joy of the New Year's holidays to children with special needs in educational institutions across the country, the employees of Banca Intesa prepared gifts and presented them to children at events last year as well, as part of the Wrap a Gift and Make a Child Smile volunteer campaign.



CORPORATE PHILANTHROPY

During 2011, through its corporate philanthropy activities, Banca Intesa donated funds to numerous projects supporting non-profit and humanitarian organisations and assisting educational, social and health institutions, as well as cultural and sporting events. Among other things, the Bank enabled the restoration of the Rectorate of the University of Belgrade, acquired a modern ultrasound machine for the Clinical Centre of Serbia, reconstructed 30 parks for children within the Friendship Parks campaign, took part in the Belgrade Baby Club campaign and donated furniture to the citizens of Kraljevo who had lost their homes in the devastating earthquake that hit this city in 2010.

3. MARKET

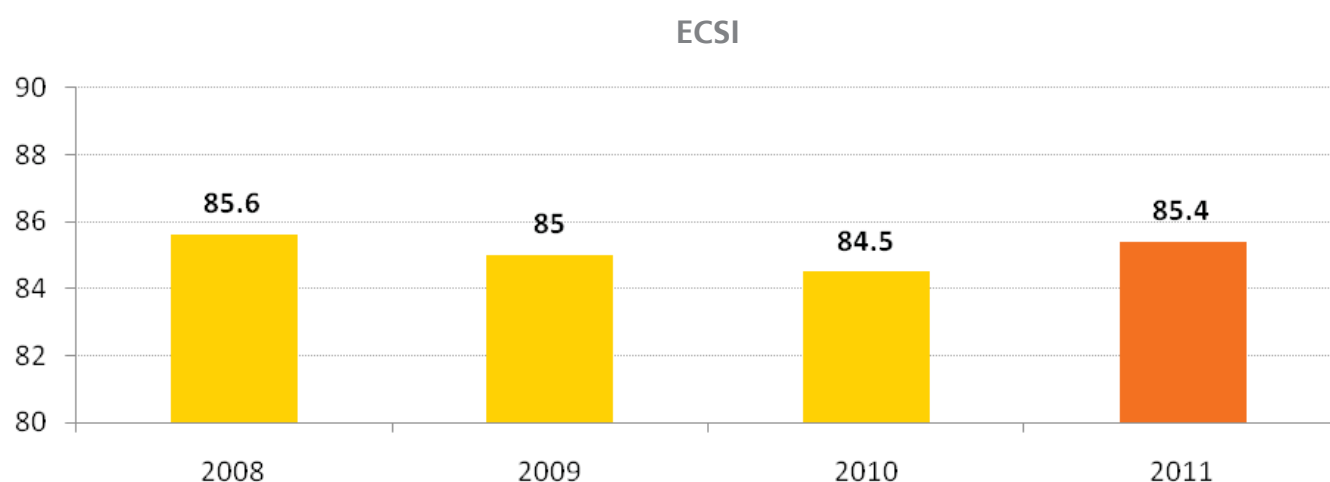
CUSTOMER SATISFACTION

Listening 100%

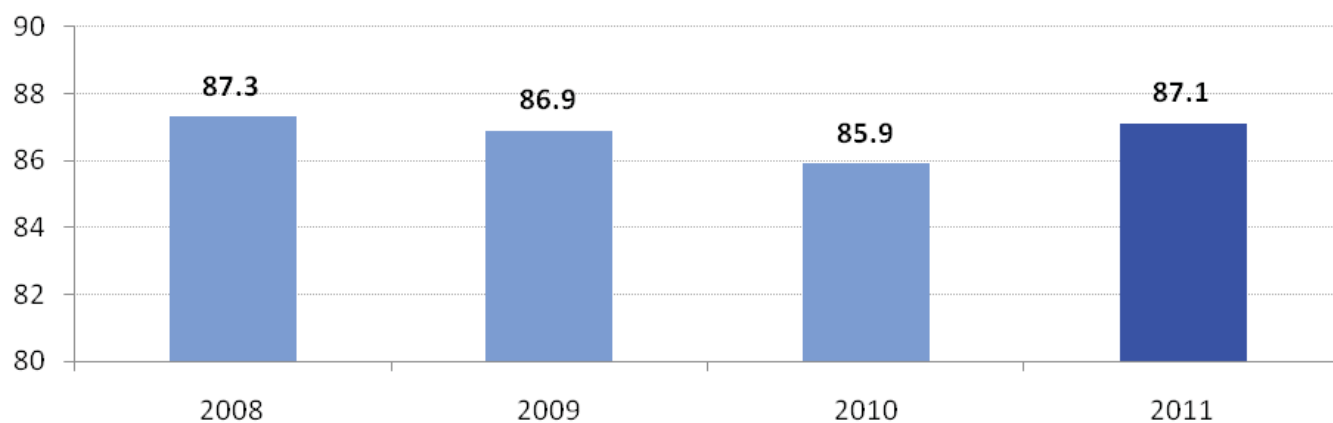
Having a long-term dedication to fostering open communication and respecting the opinions of its clients, Banca Intesa continued its activities within the programme entitled "Listening 100%" in 2011 as well. This programme involves continuous monitoring and measuring customer satisfaction with the Bank's products and services in order to improve their quality and increase the level of customer satisfaction. Listening to its clients, the Bank is in a position to understand better their needs in order to meet them in the best possible way and thus create even better conditions for maintaining long-term partner relations.

In 2011, in cooperation with the GfK market research company, Banca Intesa successfully interviewed more than 20,000 clients – individuals and companies. The survey was conducted in accordance with the methodology of the European Customer Satisfaction Index (ECSI) and enables determination of the customer satisfaction index at the level of the Bank but also its individual branches. In accordance with the principles of the "Listening 100%" programme, the obtained data were analysed in detail in order to understand the needs and expectations of clients, continue the work towards the elimination of the causes of dissatisfaction, further strengthen customer confidence and improve the quality of products and services.

Although broadly at the level of statistical average from the previous years, customer satisfaction and loyalty indices for individuals and small business posted growth relative to the previous year - 0.9% for ECSI and 1.2% for the Loyalty Index. We are especially pleased that a high percentage of clients rate themselves as fully satisfied with their cooperation with Banca Intesa, and that a similarly high percentage of them are prepared to recommend and extend cooperation with the Bank. Respondents rated very highly their relations with Banca Intesa employees, as well as the advisory and operational support they get at the Bank.

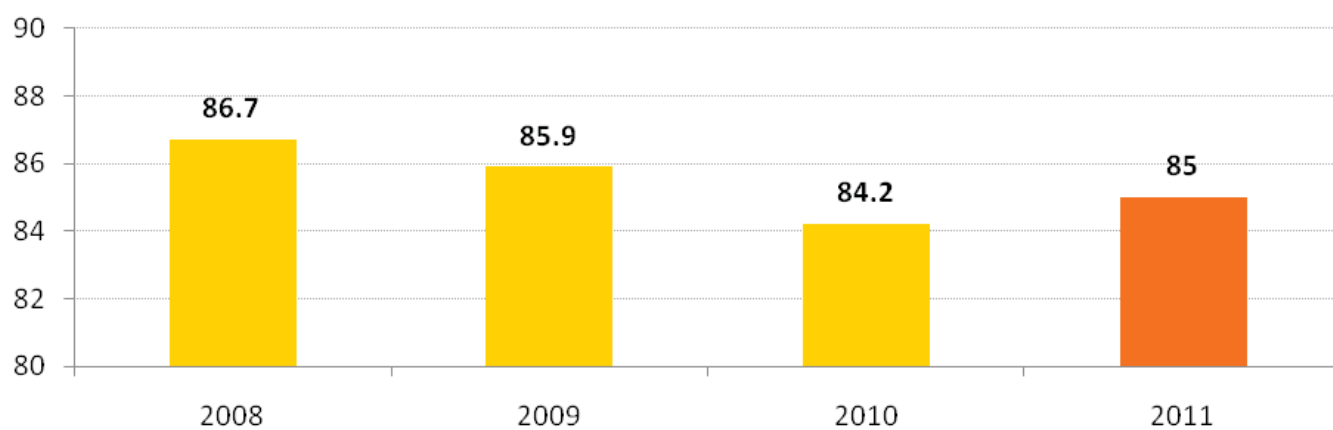


Loyalty

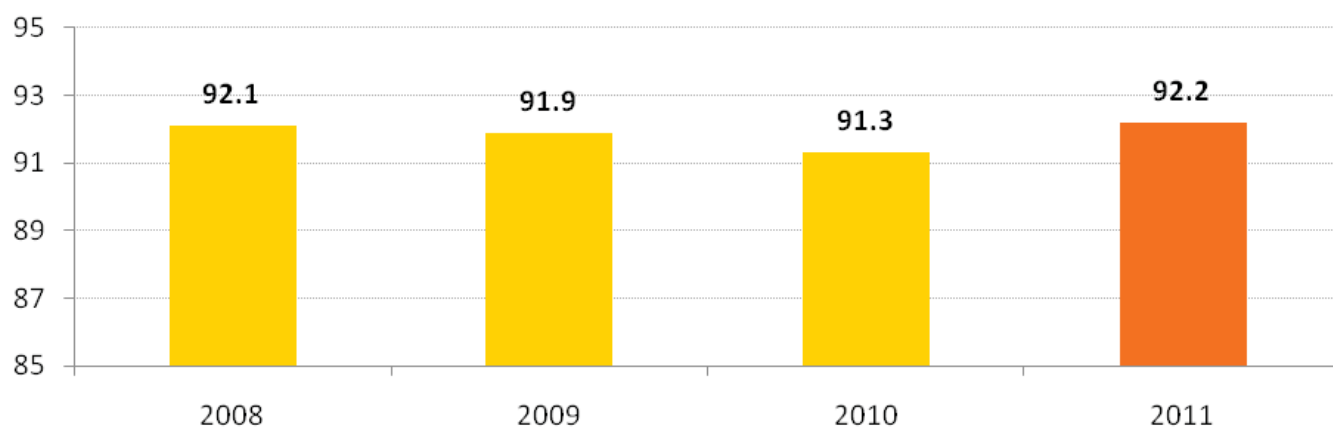


Satisfaction Index (ECSI), key factors:

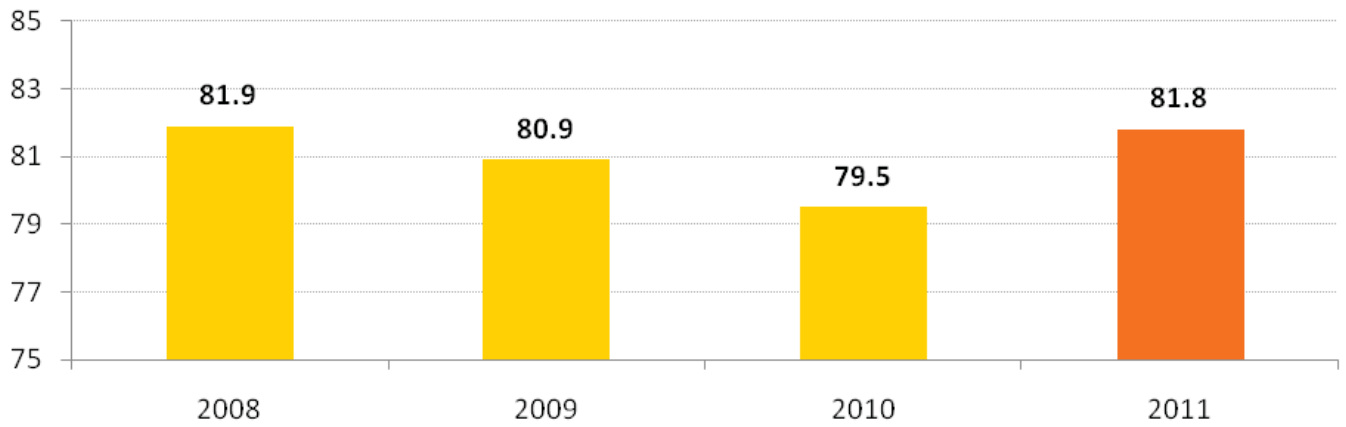
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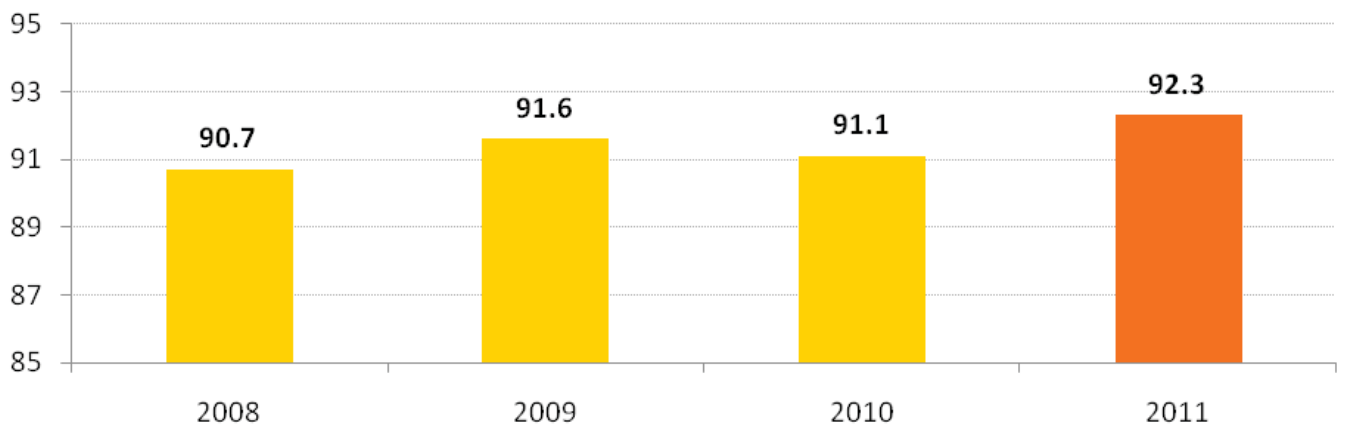
Relations with personnel



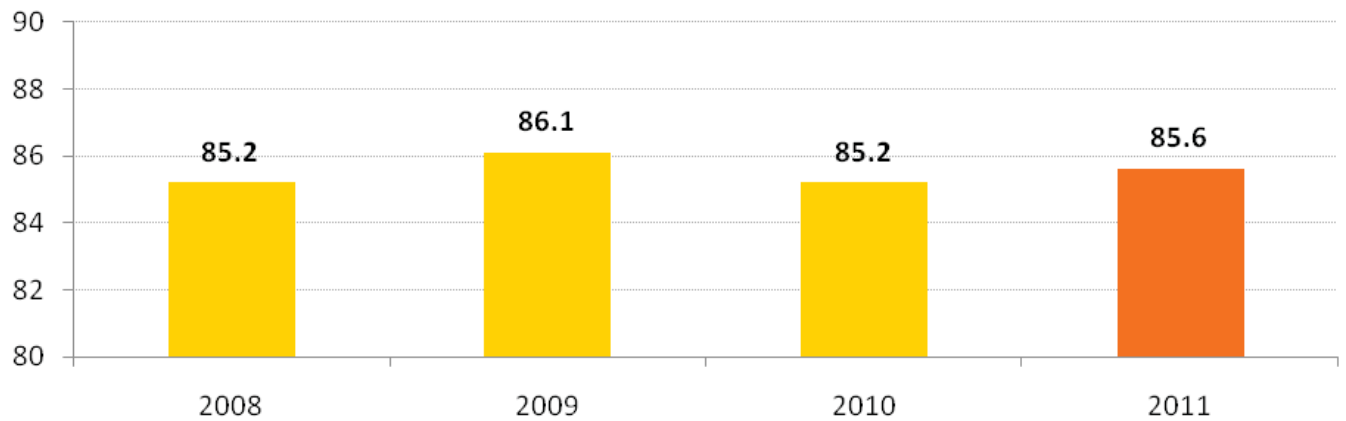
Service value



Aftersales support

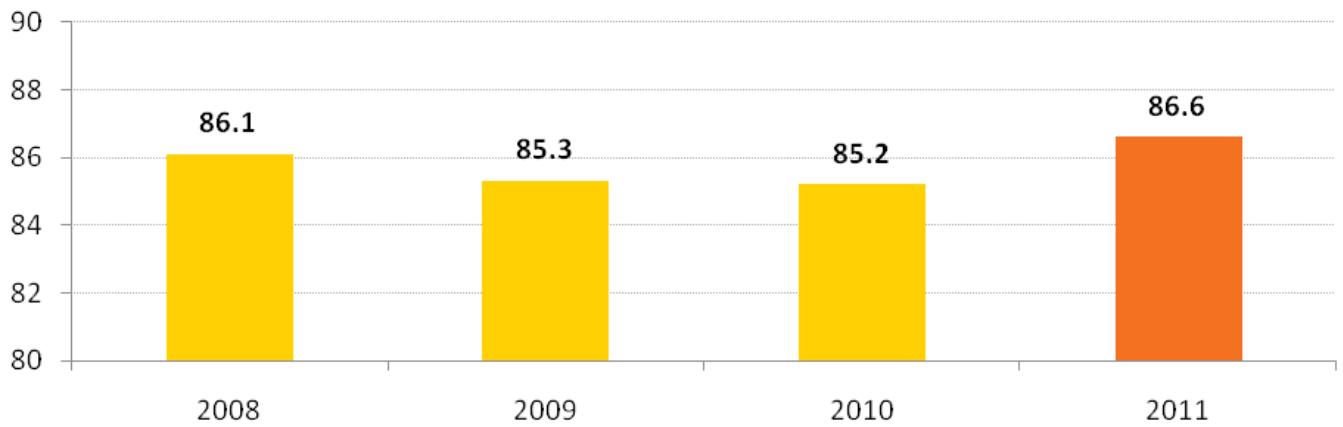


Branch organisation

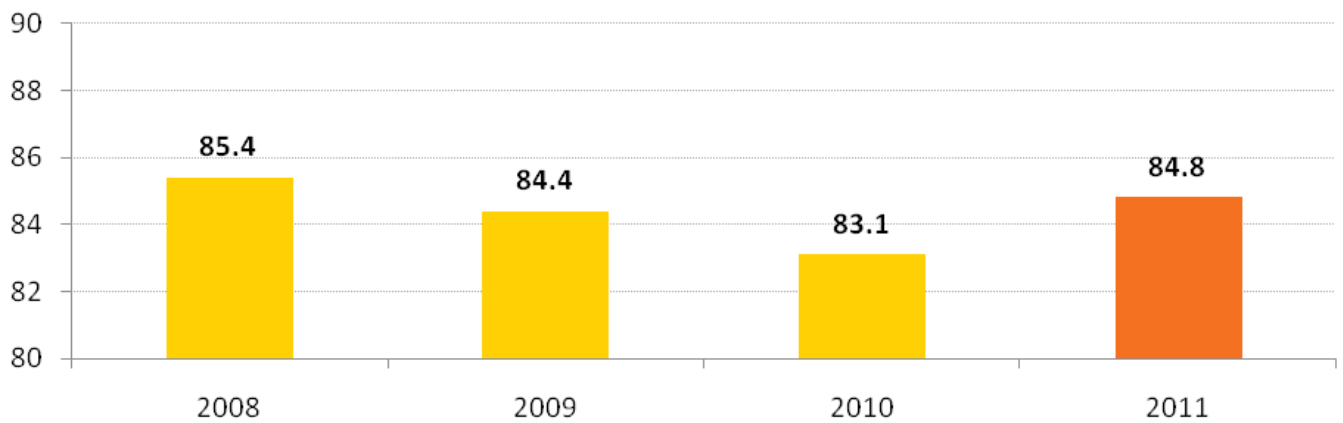


Loyalty Index, indicators:

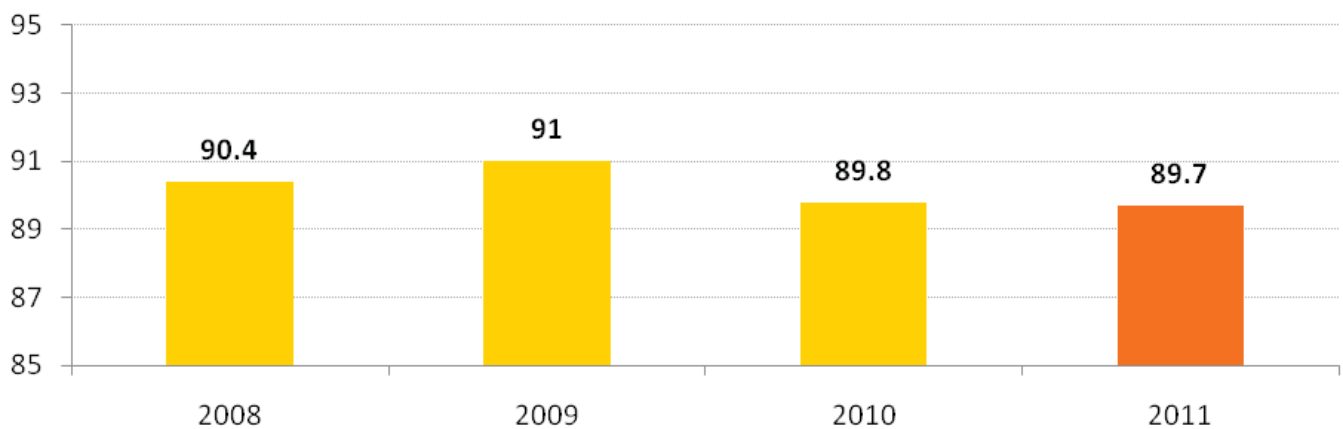
Repurchase intention



Competitive advantage



Would recommend



In order to incorporate the opinions, suggestions, and complaints of its clients in the process of planning activities aimed at improving the level of their satisfaction, the Bank added to its existing communication channels the official profiles on the most popular social networks, Facebook and Twitter. Owing to continual monitoring and analysis of clients' comments, a positive trend recorded in almost all indicators and key factors for determining customer satisfaction and loyalty in 2010 continued in 2011 as well.

Prove Yourself 100%

At the initiative of its parent group, Intesa Sanpaolo, in 2011 Banca Intesa organised the first student competition dedicated to customer satisfaction under the name of "Prove Yourself 100%" (Customer Satisfaction University Award) in order to help talented young people improve their knowledge, acquire new skills and develop their potential.

The competition aims to provide an opportunity to the most successful students from the local universities to apply their theoretical knowledge acquired during their studies in the preparation of customer satisfaction management projects, putting themselves in real business situations, as well as to encourage logical thinking, creativity and competitiveness. In addition, the project provides a unique opportunity to students to work along with the leading experts in the field of customer satisfaction management and familiarise themselves with the best international practice in this field.



The contest is open to third and fourth year students of state and private universities, of which 12 selected students, divided into six teams, compete in the development of solutions to the given customer satisfaction problems in the field of innovation and implementation. All contestants are awarded scholarships and certificates, while the two winning teams also get internship at Banca Intesa and an opportunity to represent Serbia at an international competition in Italy, where the winners of local contests conducted in the Division of International Subsidiaries of Intesa Sanpaolo Group compete. Internship in the Division of International Subsidiaries or the Summer School at the prestigious Università Cattolica are provided for the winners of the international competition. Due to the excellent project solutions of the students, as well as their great interest in this activity, it was decided to conduct the "Prove Yourself 100%" contest every year.

SUPPORT TO ENTREPRENEURS

Blic Entrepreneur

Aware of the fact that the sector of small and medium-sized enterprises is the backbone of the entire economy and the main driver of its recovery and growth, Banca Intesa launched the “Blic Entrepreneur” project in order to promote and encourage the development of entrepreneurial spirit in Serbia, identify the most successful small/medium-sized enterprise in the country and provide financial support for its development.



The project, which is traditionally organised in cooperation with the Blic daily newspaper, was implemented in 2011 for the fourth consecutive year. The expert jury selected the most successful entrepreneur, guided by the criteria of profitability, productivity and liquidity of the enterprise, as well as by additional parameters, including export performance and export potential, the number of employees and new employees, the range of newly launched products, technological innovations, orientation towards environmental protection and the contribution made to the development of

the local community. The priority, according to the decision of the jury, is given to the enterprises and entrepreneurs whose business activity and philosophy is characterised by the production and creation of new things. Banca Intesa awarded the holder of this title with the amount of EUR 30,000, to be used exclusively for improving the current operations or investing in new business projects. At the end of year, the fifth “Blic Entrepreneur” competition was announced. The winner will be selected in 2012.





COOPERATION WITH CIVIL SECTOR

EUCLID

In an effort to get better acquainted with the needs of the non-profit sector of Serbia and the challenges it faces, especially in terms of finding sources of funding, Banca Intesa established cooperation with the European network of non-governmental organisations, the Euclid Network, on the EU projects in Serbia that will try to strengthen the links of the domestic civil sector with its counterparts in the EU countries, their education and understanding of the methods of and opportunities for civil society actions in the process of EU integration, as well as their financial sustainability based on mutual cooperation.

In mid-2011, Banca Intesa and the Euclid Network signed a memorandum of cooperation, inspired by the experiences of many Western European countries, this document formalised the cooperation between the financial and non-profit sectors on the Empowernet platform for the first time in Serbia. The cooperation was modelled on the experience of the parent group, Intesa Sanpaolo, which, as one of the leading banks in the Eurozone, has been cooperating with the Euclid Network and participating in projects of financial inclusion and civil society strengthening for years. In an effort to support the development of civil society in addition to the incentives it provides to the real sector, Banca Intesa decided to help strengthen the financial sustainability of non-governmental organisations in Serbia, using its rich global experience.

In the first phase of cooperation, an expert team composed of the representatives of Banca Intesa and the Euclid Network will visit civil society organisations in all major cities of Serbia in order to acquaint themselves with the needs of these organisations and the challenges they face in their daily work. After a detailed analysis of the situation and on the basis of the data obtained, the project initiators will develop a strategy for the model of financial sustainability for the non-profit sector.

WORK WITH SUPPLIERS

Banca Intesa is guided by the principles of the Code of Ethics in all aspects of its business, and the Bank's attitude to its suppliers is defined within this document that is universally accepted among all member banks of Intesa Sanpaolo Group.

The Bank insists on transparency in all of its procurement processes, believing that a clear and transparent attitude contributes to the maintenance of fair relations with its suppliers. The Bank's intention is to set an example to its suppliers with its best practices and experience as well as to serve as a role model and support in their further business ventures and in building their own principles of value

FINANCIAL INCLUSION

The concept of financial inclusion involves the development of specific financial products and services under more favourable conditions compared to the market conditions, which are aimed at specific social groups, such as unemployed women, young entrepreneurs, people with disabilities, young people and pensioners, in order to improve their quality of life and thus give contribution to the fight against poverty and to the economic and social development of the country.

Wishing to stimulate self-employment, in 2011 Banca Intesa again tried to give its contribution to the development of entrepreneurship by designing low-profit loans, such as start-up loans for women entrepreneurs in Vojvodina, in cooperation with the Guarantee Fund of Vojvodina, as well as micro-loans for young entrepreneurs. In addition, Banca Intesa was the first financial institution in the market to create special loans for pensioners, allowing them to borrow up to 74 years of age. In addition, it continued to issue the Visa Electron Paralympic card, the first charity card in the country, which Banca Intesa introduced in 2008 in cooperation with the Paralympic Committee of Serbia. This was the first initiative of this kind in the domestic market, aimed at establishing a strong, stable and independent mechanism for long-term assistance to athletes with disabilities and developing the paralympic sport in our country.

4. ENVIRONMENT

WASTE MANAGEMENT

In 2011, Banca Intesa confirmed its strategic commitment to continuous reduction of its negative environmental impact. Understanding the importance of responsible recyclables management, the Bank successfully recycled 37,770 kilograms of paper, handed over 18,950 kilograms of electronic and electrical waste, as well as 120 kilograms of toner cartridges to a legal person registered for waste management.

Additionally, as of 2011 all copies of internal magazine “Es:presso”, whose circulation numbers more than 3,000 copies, have been printed on recycled paper.

VOLUNTEERING

Spreading the spirit of corporate activism and environmental responsibility, in 2011 Banca Intesa participated in the major volunteer campaigns in Serbia, focused toward environment protection. In the “Our Belgrade” and “Let’s Clean Up Serbia” volunteer campaigns. Bank employees, as well as their families and friends participated in these activities.

5. WORKING ENVIRONMENT

In accordance with the growth and increase in the volume and diversity of its business and staffing, Banca Intesa as the leading bank in the market continues to cultivate a collegial working environment. Employees are guided towards an understanding of the roles assigned to them for the purpose of implementing key strategies. The Bank enables its employees to grow on a personal and professional level and, above all, fosters continued commitment to employee engagement.

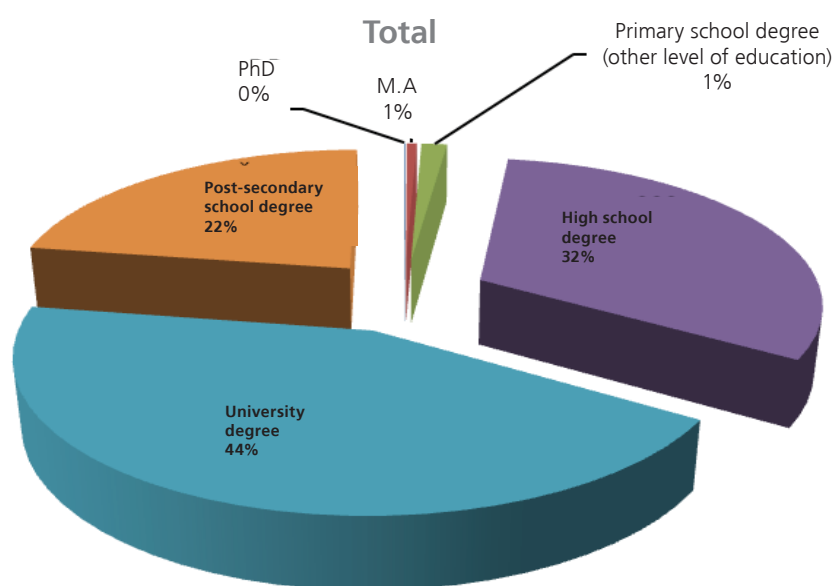
Employee performance management plays a key role in steering employees toward the creation of long-term relationships with clients, and toward strong ties with their peers. In its approach to management and leadership development in 2011, Banca Intesa employed a strategy of creating a high performance culture, within its parent group Intesa Sanpaolo as well as the Bank itself. An integral component of strategy was the need to develop a clear internal and external direction of leadership conduct and skills necessary to maintain stable business in unpredictable times.

During 2011, Banca Intesa began the process of designing more efficient performance assessment approaches, as well as harmonising the performance assessment process with employee reward system. Communication during the employee performance assessment process is now even more effective and frequent, while the performance goal definition system is more transparent. Its assessment is based not only on results but, equally, on the way in which goals were reached. Together with their superiors, employees regularly analyse their performance and priority needs for further development.

Banca Intesa is committed to providing a clear career development plan. Through careful planning and promotion of employees, the Bank enabled their growth within the organisation itself and successfully engaged its internal personnel at most of the senior positions.

Banca Intesa is devoted to professional development of its employees by creating exceptional learning opportunities that enable the employees to fulfil their potential. By matching staff capabilities and appropriate education and training initiatives, the bank continues to invest in its employees. Understanding the need for the development of all its employees as a precondition for the improvement of its overall business, the Bank work on several levels: new employees have an opportunity to work in a dynamic environment and are supported by professional training, as well as training in the most important interpersonal skills that the job requires. More experienced colleagues have an opportunity to develop in the form of numerous options for advanced training, as well as advancement within the Bank itself, while the employees at managerial positions are offered the opportunities of internal training, as well as formal higher education. Two-thirds of employees in Banca Intesa have post-secondary or university degrees.

Educational level



In the Bank itself, more than half the employees receive a form of internal formal training during the year and the average time spent in training per employee is more than two days. Almost 55 thousand hours per year are dedicated to employee training and development. Banca Intesa also tries to follow the natural way of learning, and therefore a system of distance learning (e-learning) is developed internally so that knowledge is much more accessible to employees precisely when they need it. In addition, mentorship and on-the-job training are developed in order to support the development of employees in their environment and when it is most convenient for them.

Training data

Average number of hours per employee	17
Percentage of employees who received some form of training	57%
Total hours of training	54,877

Since continuous two-way communication with employees also plays a major role in the development, surveys of their opinions are conducted regularly. Banca Intesa monitors the results at all levels of the organisation, which makes it possible to take the employees' opinions into account when making corporate decisions that affect the interests of the employees themselves.

Banca Intesa firmly believes in diversity and therefore tries to ensure equality and eliminate all forms of discrimination, including gender discrimination, in order to create an environment in which every individual has an equal opportunity to express and exercise his/her rights and participate in decision-making through delegating jobs and tasks. This is corroborated by the fact that women account for more than seventy per cent of the total number of employees and almost half the Bank's management and have a significant impact on the Bank's strategic decisions and business in general.

Gender structure

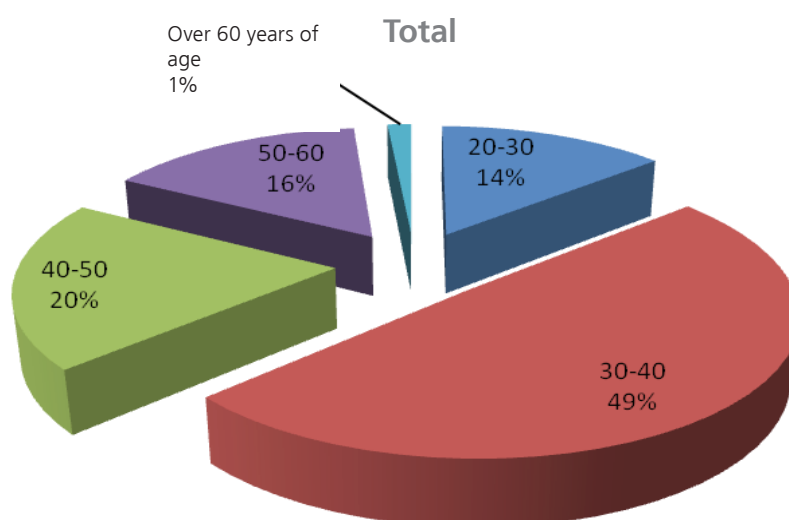
	Male	Female
Number	918	2282
Percentage	29%	71%

Gender structure in management

	Male	Female
Number	26	23
Percentage	53%	47%

The age structure of employees in Banca Intesa justifies the positive energy and experience that is reflected in the Bank's operations. An ideal balance between young people aged between 20 and 30 years that are yet to face business challenges and experienced people over 50 years of age clearly supports the fact that the Bank advocates a high level of individual professional integrity regardless of age or gender. Most employees are between 30 and 50 years of age and they account for two-thirds of the total number of employees of the Bank.

Age structure





Sporting events

With the aim of strengthening its employees' sense of belonging to an international group, during 2011 Banca Intesa again participated in all sporting events organised by its parent group Intesa Sanpaolo. In that regard, during 2011, as in the previous years, the employees of Banca Intesa had an opportunity to apply and take part in the events such as international banking ski competition, tennis tournament, sports games that include football, volleyball and basketball, as well as competition in track and field disciplines such as half-marathon and marathon. These sporting events were organised in various countries in which the member banks of Intesa Sanpaolo Group operate.

Projects for employees' children

Milan Junior Camp

Always ready to support healthy projects aimed at children, in 2011, for the fifth consecutive year, Banca Intesa invited the children of its employees to apply for participation in the Milan Junior Camp and experience the thrill of team success and competitive spirit. As in the previous years, many children got an opportunity to learn the secrets of football from famous coaches of A.C. Milan football club through technical and athletic training and with precise tactical classes.

Children's Sports Games

In 2011, Banca Intesa hosted a major children's festival of sports and joy. It hosted nearly 300 children of employees from 11 different countries, who competed in football and volleyball. This sporting event also turned into a tradition, as it was organised for the second consecutive time in Belgrade.



Follonica Children's Resort

With the aim of enabling the children of its employees to meet their peers from other countries, but also helping children develop their independence and responsibility, in summer months of 2011 as in the previous seven years, Banca Intesa organised a trip of many children to a famous children's resort in Follonica, Italy.

ASF Interkultura

Since 2003, through cooperation with ASF Interkultura, an international non-profit volunteering organisation, Banca Intesa has been providing a unique opportunity to its employees to educate their children abroad. By providing scholarship for one-year schooling in 2011 as well, the children aged 15 to 18 were given an opportunity to learn a foreign language, live in a different cultural environment and make new friends.

