



REPORT OF SUSTAINABLE  
DEVELOPMENT  
2012

PLATINUM BANK  
FOR SOCIETY

Small Stories  
Of The Great  
Success



YEAR OF FOUNDATION – [2005]

[1 500 000] CLIENTS

[4 528] EMPLOYEES

[73] REGIONAL BRANCHES

[52] SERVICE CENTRES FOR CLIENTS

[1 500] POINTS OF LOAN SALE

[4 047 907 000 UAH] OF ASSET VALUE

HEAD OFFICE: [Kyiv, 12, Amosova St.]

THE BANK WORKS ONLY ON THE TERRITORY OF UKRAINE.



**OUR PROMISE TO THE CLIENTS:**  
SIMPLY, ACCESSIBLY, RELIABLY AND FRIENDLY



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Shoulder to shoulder  
Important issues of reporting

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## MESSAGE FROM CEO

**Dear readers,**

In your hands is the full version of sustainable development report by **Platinum Bank** for 2012. This year brought many challenges for **Platinum Bank**. And yet – we made it! We widened our product line, offered our clients profitable terms, launched a simple and understandable internet-bank **Platinum Click** for anarcho-capitalists. We became more accessible and reliable for our clients. And for our stakeholders as well, as the bank actively developed the corporate social responsibility projects, establishing new and efficient partnerships. Undoubtedly, we reached a new level of realizing both business and CSR projects – we can see the qualitative changes.

The key to our success is our employees. They were involved in projects, proposed their ideas, took part as volunteers in charity races, blood donorship programmes, “Responsible Bankers’ Day” and other social activities of the bank. I’m very proud of our employees and I want to express my sincere gratitude to them! It is them who became the heroes of small stories, which eventually became the great success – the success of our bank. And from the pages of this report you’ll learn about all our stories.

Special thanks go to our CSR Committee members, who strategically build our relationships with the community. I thank our employees, who share our Values and “Platinum Standards” of the bank and promote them in their relationships with clients, partners and community. The involvement of

our employees in various projects really exceeded our expectations. We truly felt like we are not only a united team, but a wholesome organism. **Platinum Bank** is us, no matter the position, experience or phone brand. Recalling 2012, with the feeling of deepest appreciation, I want to say: our bank is a unique Platinum corporate culture.

Due to our team and culture established, according to the results of 2012, our bank entered a TOP-3 of CSR companies of Ukraine and became №1 among the companies of financial sphere. We are not planning on resting on our laurels – we have more ambitious plans. We face a complex and, as such, exciting task – developing CSR in the regions. Also it is necessary to strategically move from charity projects to sustainable development projects. Our plans are abundant and thus – our business strategy includes the efficiency indicators on CSR, in particular: the index of employee involvement and TOP-3 in CSR-ratings.

We will go on strictly adhering to the principles of the Global Compact, and trying to do more than is expected from us. We strive for innovation and for being not only an organization “cutting the grass” (or “the green”, as some stakeholders may rephrase), but real gardeners. This is one more beautiful citation from my favourite author – Ray Bradbury (I don’t want to break this tradition ☺):



*"It doesn't matter what you do so long as you change something from the way it was before you touched it into something that's like you after you take your hands away. The difference between the man who just cuts lawns and a real gardener is in the touching. The lawn-cutter might just as well not have been there at all; the gardener will be there a lifetime".*

*This is the mission and the goal of our bank - we came to Ukraine to stay.*

Enjoy your reading,  
Greg Krasnov,  
CEO of Platinum Bank









# BANK IN THE BIG SYSTEM

A banking institution, as is generally known, is created for providing financial services. There are 176 banks operating in Ukraine. Each of them develops in its own way: some – stably and steadily, others – dynamically and aggressively, and some – follow their own special tactics. In 2012 the development of the banking system in the whole was not very stable and all of the banks felt it. On the one hand, after the losses of 2011, the banks finally got some [profits<sup>1</sup>]. People started to trust banks more, to open deposits, as well as continued to take loans. On the other hand, seven banks left Ukraine. 450 bank branch offices [were closed<sup>2</sup>]. Part of these banks is now owned by the state, and a part was acquired by the banks with private Ukrainian capital. As such, 2012 became a rather uneasy year for banks.

If we look at 2012 from the Platinum Bank's prospective, it will appear successful and eventful. And the success of the last year is not just sheer luck. There is a good proverb: "Success is 99% of hard work and only 1% of luck". In 2012 all employees did their 110%. The main indicators of the bank are shown in Table 1.

*«We've put in extra effort, we did the impossible, and we worked selflessly and well-co-ordinately. This is why we were recognized as one of the most successfully operating banks of the last year».* – Greg Krasnov, CEO, "Financier of the Year" (National Awards "Person of the Year-2011") and "Responsible Leader" in Ukraine (according to portal "Delo", "CSR Development" CENTRE and CSR Review).

In 2012 the level of profits for **Platinum Bank** reached 20%. This level hasn't been reached yet by any other bank in Ukraine. Besides, its stable and positive development was confirmed by the rating agency ["Credit-Rating"<sup>3</sup>]. People learned more about Platinum Bank. Every fourth Ukrainian in 2012, according to GFK research, recognized the bank (with a hint). At the same time, 6.5% of the population distinguished **Platinum Bank** from other Ukrainian banks even without a hint. The bank entered the TOP-15 of the most recognizable banks among the people of Ukraine.

**In 2012 the success of Platinum Bank was marked by important awards. The bank entered:**

- TOP-30 leading banks of Ukraine (TOP-50 Leading Banks of Ukraine, "Kommersant");
- TOP-10 Most Reliable Banks ("Expert").
- TOP-5 /№4/ Most Electronic Banks of Ukraine ("Investgazeta").
- [TOP-10<sup>5</sup>] "Inspiring Companies" ("Companion").
- TOP-3 Socially Responsible Companies of Ukraine ("GVardia"), №1 among socially responsible companies in the financial sector ("GVardia").

**What are the reasons for the bank's success?** The reasons for success are simple. The bank has a right kind of strategy and directions of CSR. It pays a lot of attention to the transparency of corporate management and to the quality of client

[<sup>1</sup> 5 bn UAH ]

[<sup>2</sup> In 2012 the share of the market of foreign capital banks (except or the Russian ones) during the year reduced by 4% – from 24% to 20%. ]

[<sup>3</sup> The bank got A+ rating. The prognosis of the rating – stable. ]

[<sup>4</sup> 25.8% with a hint ]

[<sup>5</sup> The only bank in the rating ]



servicing. There is no other way, as the bank's shareholders include [international funds<sup>6</sup>]. They were the ones who established high standards of management. Products, offered by the bank, are simple and they evoke trust. The bank actively co-operates with other companies and organizations. It is a member and active participant of [11 associations<sup>7</sup>], including the Deposit Guarantee Fund.

And the corporate culture, created by Platinum

Bank, is unique. The employees believe in what they are doing and support all bank's initiatives with their ideas and participation.

**"Why are we successful in it? Because we believe in what we are doing. We trust our clients and listen to them, introducing changes in our work, taking into consideration the wishes of our stakeholders", – Viktoriia Mykhno, Head of Corporate Communications, member of the CSR Committee.**

**Table 1. Main indicators of Platinum Bank, 2010–2012**

Financial indicators	2010, thousands	2011, thousands	2012, thousands	Changes, compared to 2011, %
Capital stock	380 567	380 567	380 567	No changes
Income	350 442	951 536	1 555 424	+ 64
After-tax interest	227 776	526 418	795 272	+ 51
Payments to the budget	25 250	13 270	85 300	+ 543
[Income tax <sup>8</sup> ]	6 562	11 902	52,205	+340
[Tax remissions <sup>9</sup> ]				
Operational costs /expenses	88 549	414 783	593 540	+ 43
Administrative and other operational costs	198 588	524 443	593 540	+ 13
Costs of the creation of resources	59 429	169 851	254 258	+ 50
Net profit	9 409	30 484	175 666	+480
Undivided income	89 418	83 150	258 893	+210
Total assets value			4 047 907	New indicator
<b>Business</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>%</b>
Bank's clients	500 000	1 000 000	1 500 000	+50
Payments to the capital providers (thousands)	69 100	88 276	32 243	-63
Number of branch offices of the bank	32	69	72	+4
Loans provided			592 027	New indicator
Increase of deposit brief-case			328 738 items	New indicator

<sup>6</sup> Major shareholders of Platinum Bank are international investment funds: Horizon Capital, East Capital Financials Fund, bank management and IFC (World Bank subsidiary).

<sup>7</sup> Independent Association of the Banks of Ukraine, Ukrainian Credit-Banking Union (UCBU), Forum of Leading International Financial Institutions (Forum), Association of the Taxpayers of Ukraine (ATU) and Banking Club of ATU, European Business Association (EBA), Association "Fund Partnership", Ukrainian Interbank Association (EMA), Global Compact Network Ukraine, "CSR Development" Centre.

<sup>8</sup> Adjusted for deferred income tax

<sup>9</sup> 10 180 900 UAH – the sum of profit, which is exempt from taxation in accordance with the obligations of international agreements of Ukraine, 9 860 300 UAH – insurance funds.

Human resources	2010	2011	2012	%
Number of full-time employees	1 633	4 181	4 528	+8.3
Salary and other payments to employees	78 017	185 283	286 238	+ 54
Number of women among employees*	1 218	3 139	2 409	-26
Number of women in management	2	2	2	No changes
Number of sick leave days (average amount of days per 1 employee)**	There was not records	2.7	5.3	
Community	2010, thousands	2011, thousands	2012, thousands	%
Investment	108	595	1 215	+104
Bank's charitable support	161	147	172	+17

\* In 2012 the amount of employees-women diminished in connection with their output in vacation on pregnancy and births (sick-leave authorization of 126 k.d.), upon termination of which employees passed to vacation on the care of child to 3th.

\*\* Increase of middle index of amount of days on hospital related to growth of number of employees in a decree.



## Strategy: establishing a reliable bank

To be a successful bank among a great number of professionals, it is necessary not only to be the best, but also the most prudent and forward-looking organization.

Every company chooses its own way and reference points, adapting foreign and Ukrainian groundwork in strategic management. In 2012 **Platinum Bank** reached its pre-planned [indicators<sup>10</sup>]. In strategic planning the bank uses a "Gazelle" system:

**"Every morning, somewhere in Africa a gazelle wakes up. It knows that it must run faster than lion to stay alive. It knows that it must run faster than other gazelles to get food. It's not important who you are: a lion or a gazelle. The important thing is: when the sun rises – you must run!"**

The "Gazelle" system is extremely simple. Everything in it works for achieving the goals: values, mission, targets, tasks and actions of the organization. The "Gazelle" method was elaborated by an American businessman Verne Harnish. It is used for strategic planning by many world-famous companies. This system fits a quick-changing Ukrainian market rather well. The characteristic traits of this approach are the simplicity, demonstrativeness and high speed of implementation. That is why the bank is using it for elaborating and updating its strategy.

The strategy helps answering the questions, which are important for the bank's development (img. 1).



<sup>10</sup> 1) The bank became unique in the market of Ukraine. 2) Financial brand Platinum Bank is recognized by people. 3) In various ratings the bank takes prizes as the best retail bank. 4) CSR has its stable place in the everyday life of the bank.



**Img. 1. "Gazelle" method**

Strategic questions	Strategic answers
<b>What does the bank work for?</b>	For establishing a long-term stable business. To do business responsibly, for the benefit of clients, stakeholders and community. To progress and to help its employees to progress as well. To do it all in the atmosphere of mutual respect, trust and cooperation.
<b>Why does the bank work?</b>	To get the maximum WOW-effect in meeting the requirements of all its target groups: clients, stakeholders, employees, community. At that, to offer simple and understandable products and provide simple and truly valuable things: predictability, systemacy and reliability.
<b>Where does the bank work?</b>	In Ukraine, with a focus on retail services, via the most efficient mix of online and offline channels.

Originally, [targets<sup>11</sup>] were developed on the basis of bank's corporate values. Bank's corporate values are reflected in the unique "Platinum Standards". All employees are aware of them and follow them in their daily work. When new targets were formulated, we took into consideration not only the values, but also the balance between the interests of bank's stakeholders: stakeholders, cli-

ents, employees and the community in the whole.

The bank is ready to progress constantly and to help progress its employees in the atmosphere of mutual respect, trust and cooperation. The achievement of new strategic targets the bank builds on adhering to 4 key principles of work: simplicity, reliability, accessibility and friendliness (img. 2).

**Img.2. Principles of Platinum Bank's strategy**

RELIABILITY	SIMPLICITY	ACCESSIBILITY	FRIENDLINESS
<ul style="list-style-type: none"> <li>- implement international standards of business management;</li> <li>- diligently improve the quality of services for clients;</li> <li>- become a part of the community in solving educational issues with regard to improving financial literacy of the population and computerizing the schools of Ukraine;</li> <li>- be a reliable employer and provide comfortable working conditions for employees.</li> </ul>	<ul style="list-style-type: none"> <li>- support people in acquiring simple and understandable products and services with the help of consumer loans and cash loans;</li> <li>- provide maximally profitable terms of deposit products for the best growth of clients' funds.</li> </ul>	<ul style="list-style-type: none"> <li>- organize the work of branch offices, service centres and points of loan sale in locations, convenient for clients;</li> <li>- be in constant dialogue via social networks and internet forums – where it is convenient for the clients to communicate.</li> </ul>	<ul style="list-style-type: none"> <li>- provide high quality services to all clients irrespective of the type of cooperation;</li> <li>- be ready to answer any question and to help deal with financial issues.</li> </ul>

The strategy of the bank was formulated in a way that would reflect and ensure the establish-

ment of a well-balanced business. Besides various financial indicators (sales, risks, etc.), for the



<sup>11</sup> The bank elaborates its targets according to the SMART-system. Targets must be Specific, Measurable, Attainable, Relevant, Time-bound.

first time the [new indicators<sup>12</sup>], were elaborated and included in the evaluation, which can demonstrate the contribution of the employees into the sustainable development of the bank and the country in the whole. This is one more proof of corporate social responsibility becoming an integral part of the bank's business-strategy.

**Img. 3.** Directions of Platinum Bank's CSR

CORPORATE MANAGEMENT STANDARDS	ENVIRONMENT	COMMUNITY	EMPLOYEES
Bank's everyday work in accordance with international standards for corporate management	Business practice "Go Green"	Educational programmes for financial literacy, supporting orphanages (providing equipment, fund-raising, improvement of territories), supporting schools with new equipment	Creating optimally comfortable working conditions, developing the skills of employees, supporting them in unforeseen situations, a programme for hiring people with special needs

All the decisions of the Board are only approved on the basis of their influence on every one of the four key indicators of the bank, including the CSR

indicators. This allows the bank to operate with the consideration of interests of all target groups, which means – in a well-balanced way.



## Transparent management

The success of an organization in many aspects depends on its founders. As such, the founders and major stakeholders of **Platinum Bank** are well-known international funds. Back in 2005, the year they founded the bank, they laid the groundwork

for the transparency of management, because the organization's stability and reliability depends on how it was built and how it is managed. The bank's management structure is demonstrated in img. 4.

<sup>12</sup> 1) employee involvement index, 2) high positions in CSR-ratings



**Img.4. Functional structure of Platinum Bank**



Superior body of bank management is the General Meeting of Stakeholders. All major decisions regarding the choice of activity direction of the bank or allocation of profits are made by the [General Meeting of Stakeholders<sup>13</sup>]. General supervision of the bank's activities is performed by the Supervisory Council. The Council is comprised of the representatives of stakeholders and independent members – a total of 6 people. The Supervisory Council is chaired by Youriy Blashchuk. [To the Council<sup>14</sup>] is subordinated the Internal audit department. The

Board of **Platinum Bank** is an executive body. Its main task is to ensure the operation and development of the bank in accordance with the legislation of Ukraine and the strategy approved. The Board consists of 9 members. The Chief Executive Officer is Greg Krasnov. In 2012 the Board of the bank had 7 active Committees for managing the spheres, which present risk for the bank's operation (img. 5). Committees are collegiate bodies and they are subordinated to the Board. The Committees are chaired by the Board members.

**Img. 5. Committies of Platinum Bank Board**

Platinum Bank Committees						
Assets and liabilities management Committee	Credit Committee	Subcommittee of loan examination under the Credit Committee	Tariff Committee	Risk management Committee	Tender Committee	IT-Committee
Company's policy regarding the management of assets and liabilities, as well as other issues	Evaluation and elaboration of the strategy and tactics for managing credit and operational risks	Approval of a part of daily credit solutions without the involvement of a full complement of Credit committee	Elaboration of tariff and price policies, as well as controlling adherence to them	Risk management	Procurement policy of the company, its implementation and control	Strategy and policy of information management, as well as controlling its implementation

<sup>13</sup> Additionally approves the reports on plan fulfilments and yearly achievements, makes decisions about the changes in the amount of authorized capital of the bank and introduction of amendments to the Charter, approves the reports and findings of the auditing commission, external auditor.

<sup>14</sup> Supervisory Council designates the external auditor for exercising independent control. In the reported 2012, the functions of external auditor were performed by the Auditing Company "Kadastr Audit" (regarding local standards) and "Deloitte" (regarding international standards).





Also, three committees on the group level were created (img. 6).

**Img.6. Platinum Bank Committees on the group level**

CSR Committee	Compliance Committee	HR Committee
Organizing and realizing projects on the development of corporate social responsibility	Supporting the Board of the bank in the issues regarding the management of compliance risks in accordance with inner regulatory documents of the company	Working with employees

Platinum Bank's operation is ensured by the work of eight departments. Current activities of the employees of Platinum Bank are regulated by the Policy system. In the total, the bank has 11

Policies (img. 7), which can be found at the web-site: <http://www.platinumbank.com.ua/view politician/>

**Img. 7. Platinum Bank's Policy system**

Equality Policy	Gifts and Leisure Policy	Colleague relationships Policy
Counter-corruption Policy	Conflict of interests Policy	IT-resources usage Policy
Informing Policy	Sexual harassment zero tolerance Policy	External communications Policy
Eco-practices Policy "Go Green"	Financial support of employees Policy	

All employees are acquainted with the bank's Policies. In their everyday activities they act in compliance with them.



## Simple financial products

**What is important for every client in his or her work with a bank?** Simplicity, convenience and accessibility – and that is exactly what Platinum Bank offers. As the simpler the product, without excessive commissions and hidden details, the easier it is for clients to find their way in the complex world of financial services.

In order to make simple products accessible, the bank opens its branch offices, services centres for clients and points of loan sales in various cities and towns<sup>15]</sup> of the country.

*"Our bank has always been characterized by its fast and dynamic development. We opened branch offices and points of loan sale, we elaborated new products and services. And now we are certain, that the people of our country can get financial services in every corner of our homeland", – Kateryna Ladyzhenskaya, Sales Deputy Director.*

In 2012 were opened 3 new branch offices of the bank in Sevastopol, Poltava and Vynnytsya. By the end of the year, all new branch offices showed high results (Table 2).

<sup>15</sup> In 2012 the bank had 72 branch offices, 52 service centres in malls and over 1 500 points of loan sale, as well as 88 our own ATMs!



**Table 2.** Results of the principal activity of new branch offices of Platinum Bank, 2012

Department	Deposits, %	Loans, %
	Increase	Increase
Branch office in Poltava	125	136
Branch office in Vynnystya	119	89
Branch office in Sevastopol	110	110

As can be seen from Table 1, the clients like bank's products. Well, in **Platinum Bank** anyone, be it an individual or a legal entity, can find their "own" product for themselves (img. 8)

**Img. 9.** Bank's solutions for clients

**YOU ARE – THE CLIENT WHO WANTS TO:**

**Take a loan, in order to buy new home appliances or furniture**

*But it's general knowledge that the loan must be repaid every month. Sometimes the monthly payment must be done on the day, when there is no salary yet. And one has to take the money from the family budget, which were previously allocated for other purposes.*

*Platinum Bank offers its clients to choose the convenient loan repayment date themselves. This helps to protect the family budget of the clients.*

**Get a profit and increase the income**

*On the bank's web-site, there is a special online deposit calculator, which allows for the quick choice of "your" deposit. On the very same site, as well as at the branch office, one can learn about all the bank's offers. For the regular clients there are loyalty programmes, which allow increasing the income even more. For example, in 2012 the bank offered a bonus of additional 1% annual for deposits in UAH and 0.1% - in USD.*

**Have constant access to your funds at any time of night or day**

*The bank offered an internet bank - Platinum Click. At any time any user of the system can check one's funds, transfer money, replenish an account or open a savings account for anarcho-capitalists.*

All bank's product solutions are in demand. But, as it is well-known, advancement is the drive force of progress, that's why **Platinum Bank** doesn't rest on its laurels, but constantly evolves.

Sometimes the bank faces negligent clients or clients, who found themselves in a hard financial

**Img. 8.** Platinum Bank products

**What does Platinum Bank offer?**

Consumer loans and cash loans

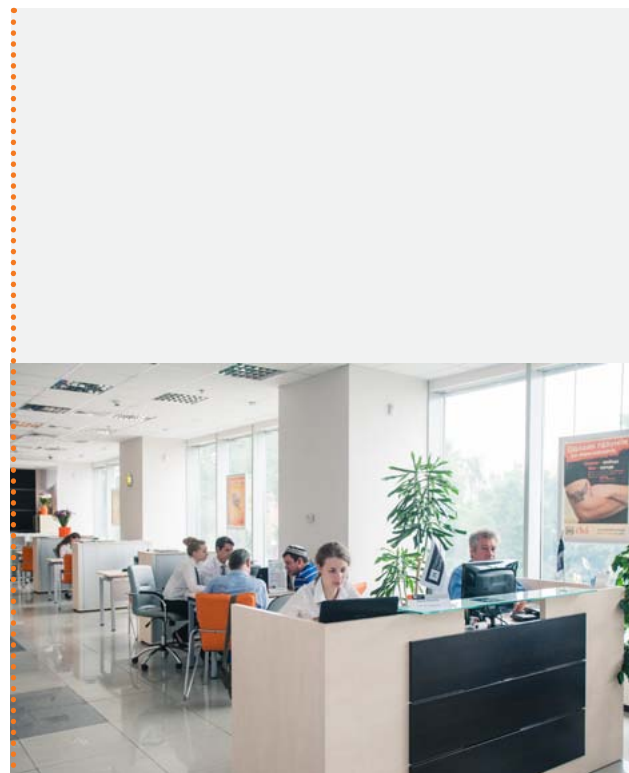
Deposits for individuals

Savings account for anarcho-capitalists in the internet bank Platinum Click

Deposits for business and business banking

Debit and credit cards

All bank's products were elaborated to meet, and sometimes even anticipate, the requirements of the clients (img. 9)



<sup>16</sup> Which means - Long Lost Provision - reserves for covering the losses in loans

process of timely loan repayments. As a result, 51 of these ideas were successfully implemented. This project proved once again that the employees of the bank became a unified team in their work at the bank.

As such, in 2012 **Platinum Bank** was dynamically developing, bank's products were improving,



## Quality mark

**Quality – above all!** This is the motto of **Platinum Bank** in its communication with clients. Quality of provided services is not just a slogan for **Platinum Bank**. It's the whole philosophy of the bank, hard every-day work of all employees. In 2012 the specialists of the bank analysed the expectations of clients. It turned out that for clients **4 things are important:**

- Reliability and financial stability of the bank
- Quick, high quality and uninterrupted provision of banking services
- Simple, efficient and optimal solutions, which maximally correspond to the clients' needs
- Personal and respectful treatment of clients

In 2012 all the work of the bank was focused on achieving maximum results for all these indicators. Simple financial products were elaborated and improved. Stability of the bank was confirmed by the credit agency "Credit-Rating". The bank worked on monitoring and improving the quality of service. [Employees<sup>18</sup>] of the bank strived to improve their indicators of friendly attitude towards various clients.

[Five departments<sup>19</sup>] of the bank are involved in communications with clients.

**"We have lots of clients and it means that there**

and clients received services in a simple, convenient and accessible way. Moreover, due to the new products, **Platinum Bank** became №2 in the nomination "Most Innovative Bank" ("Ukrainian Banker Awards 2012", according to "Investgazeta").

*are lots of opinions about our bank and its service quality. It is important for us to hear every client and to improve our operation accordingly. I think, that if a person submitted a proposition regarding the improvement of our work, it means a lot, as this person spent one's personal time to do so. It is wonderful, that in response to this feedback we can make our service quality even better", – Tatyana Zalouzhnaya, Head of the Sales and Client Services Quality Control Department.*

Clients of **Platinum Bank** have the possibility to address any question or issue via the phone, e-mail, Skype or a personal talk to the bank representative at the branch office or at the point of loan sale. The bank has 2 support phone lines: one – general, another one – for the card holders. The lines work 7 days a week. There also is a voice menu of 24-hour communication for obtaining the information on agreements. In general, clients are happy with the services they get at **Platinum Bank**. Moreover, they are eager to recommend the bank to their friends and acquaintances. As a result of the survey, the bank received 7.08 points out of 10.

**Interesting facts about bank's communication with clients:**

- In 2012 the contact centre received 1 296 398

<sup>17</sup> 500 ideas were submitted, 85 of which entered the "LLP" project.

<sup>18</sup> The level of politeness was evaluated by clients at 3.24 points out of 5.

<sup>19</sup> Remote Client Servicing Department, Card Operations Support Department, Client Correspondence Department, Informative Mass Newsletter Department, Contact Centre.



calls. 89% of these calls were answered by the operators. In 80% of contacts the client's waiting for connection was rather short – the time of waiting in line was under 20 seconds.

- Informative mass newsletter department has sent 2 033 488 letters (img. 10), among which were: 560 996 welcoming letters to new clients; 1 052 894 letters notifying about the client's debt to the bank; 419 598 letters notifying about the loan re-assignment; advertising letters, etc.

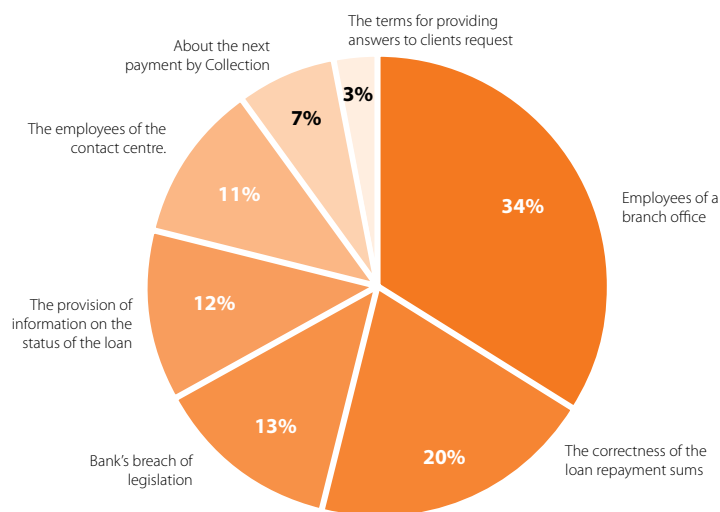
- The Client correspondence department received 20 178 messages, out of which: 51% – notifications about the closure of accounts, 21% –

requests for information on banking services or request for information about the status of the agreement with the bank, and 28% – complaints.

- Out of all the complaints received, 34% - complaints on employees, 20% were concerned with the correctness of the loan repayment sums, 13% - about the potential breach of legislation by the bank. More detail about the issues, raised in the complaints, can be found in img. 10.

It is important to mention, that the bank really looks into every complaint in great detail and replies to it within the time frame, stipulated by the legislation.

**Img. 10.** Categories of received complaints, 2012



## Surveys of the bank's clients

To improve the quality of its services, the bank constantly surveys the opinion of its clients. There are three types of client surveys (img. 11).



Img. 11. Programmes of client surveying in Platinum Bank

<b>Programme</b> <b>"Contribute your 5 kopecks"<sup>20</sup></b>	<b>Online survey</b>	<b>Phone surveys</b>
<p>The programme was implemented in 2010. Clients can fill out the feedback form paper in the shape of "five kopecks". In the form one can express one's gratitude, evaluate the level of service or give recommendations for the improvement of the bank's work. The clients put filled out forms into a special box with their own hands, in order to comply with the principle of confidentiality and honesty. All forms are submitted to the Service Quality Control Department, where they are studied in great detail. Further on, all recommendations are used for the improvement of quality of the bank's services.</p>	<p>The programme was implemented in June 2012 on the corporate web-site. The politeness of the personnel, promptness, simplicity of explanations, completeness of information in the replies to requests – these are exactly the criteria, according to which Platinum Bank offers its clients to evaluate the level of services in the bank.</p> <p>First survey results showed that over 80% of people surveyed were satisfied with their cooperation with the bank and are ready to recommend it to their friends. Other respondents pointed out the areas of developing banking services, which the bank plans to improve.</p>	<p>Client surveying has been conducted since 2012. Every month the bank employees conduct telephone surveys. The results of these surveys are summarized each quarter. According to its results, the average indicator of satisfaction with the quality of provided services is 4.8 out of 5 points.</p>

Received feedback and recommendations the bank uses to improve the quality of its services. Due to the feedback from clients in 2012, **Platinum Bank** has realized **8 new projects**:

1. The bank increased the amount of branch offices working on week-ends and with longer working hours (till 20:00).
2. ATMs were installed in branch offices.
3. In the text of all deposit agreements the sum of the deposit, its term and interest rate are now written in bold font for the convenience of the client.
4. The bank started issuing debit cards. Now each client can withdraw or replenish the funds on his or her current, deposit or card account in

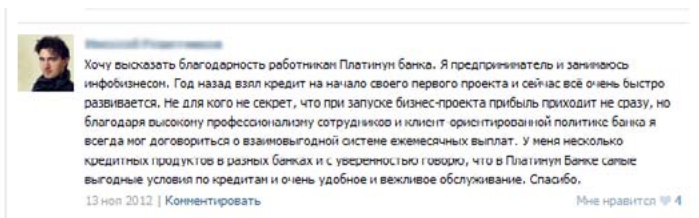
any branch office of **Platinum Bank**.

5. Now clients receive an SMS notification about the end term of their deposit.
6. Due to the clients' initiative, the windows of branch offices were equipped with jalousie, protecting the inside from sun.
7. Additionally were introduced corporate clocks and bowls with fruit drops, to make branch offices more comfortable for clients and employees.
8. Regular clients can get the [credit card "Zolotaya Rybka [Goldfish]"<sup>21</sup>]. According to the results of the survey, the majority of clients gave the bank rather high points in the range from 4.89 to 4.96 (with 5 being the maximum, img.12).

<sup>20</sup> According to the results of the questionnaire "Contribute your 5 kopecks", the dynamics of the client's level of satisfaction with the quality of bank's services in two years hasn't changed and remains in 2012 at 4.94 points out of 5.



<sup>21</sup> With the credit limit of 75 000 UAH available on the card.



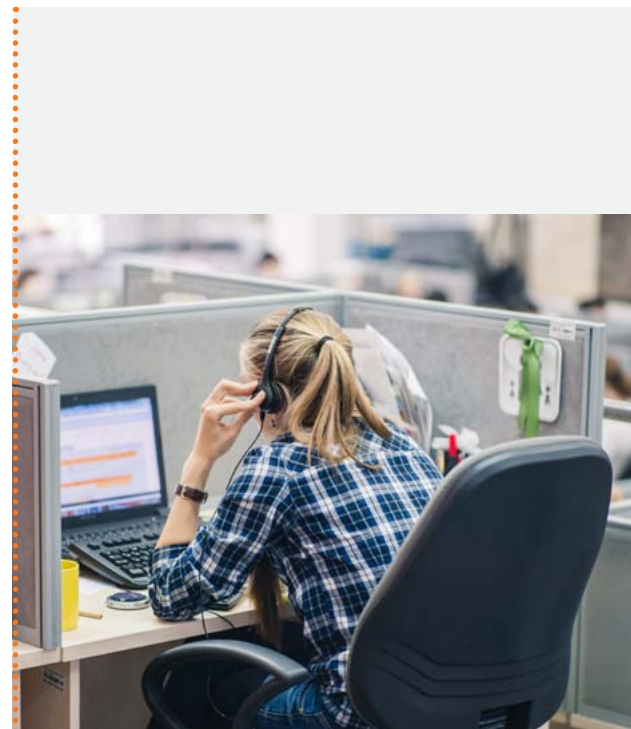
**Nikolay Reshetnikov:**

I want to express my gratitude to the employees of Platinum Bank. I'm an entrepreneur and I deal in information business. A year ago I took a loan to start off my first project and now it is quickly developing. It's not a secret for anyone, that a business project doesn't provide profits right from the launch, but due to high professionalism of the employees and client-oriented policy of the bank I always could agree upon mutually satisfying system of monthly repayments. I have several credit products in different banks and I can say with certainty, that Platinum Bank offers the most beneficial conditions for loans, as well as very convenient and polite service. Thank you.

**Img. 12.** Client survey results regarding the satisfaction with the quality of service

<i>I was provided with answers to all my questions</i>	<i>The attitude towards me was respectful and friendly</i>	<i>I was spoken to in a clear and understandable language</i>	<i>The service was prompt</i>	<i>It was explained to me, what was being done at the moment</i>
4.96	4.97	4.97	4.89	4.91

As such, the bank is ready to hear its clients and improve its services, in order to continue receiving from the clients a high quality mark further on.









# STAKEHOLDERS OF PLATINUM BANK

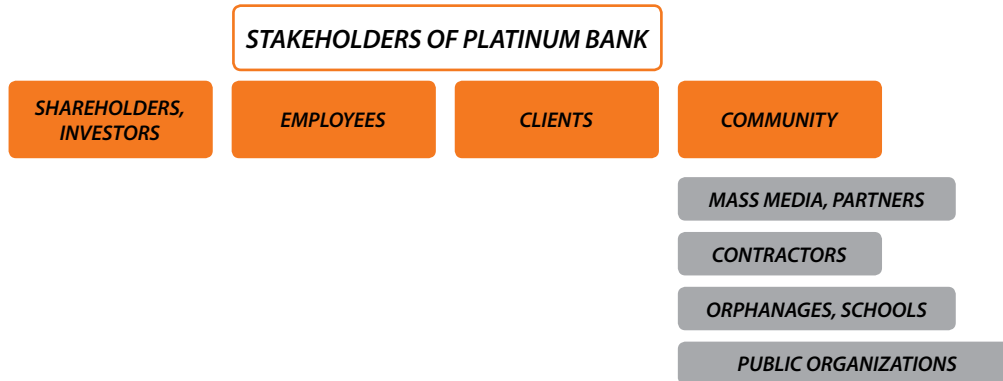


## Shoulder to shoulder

**Do you know a great basketball player Michael Jordan?** It was him, who once said a truly genius phrase: "Talent wins games, but teamwork and intelligence win championships". To achieve success, you need to have a good team. So who

is on the team of Platinum Bank? These people and organizations the bank calls [stakeholders<sup>22</sup>]. (img. 1) They are interested in the bank's decisions and they influence the activities of the bank.

Img. 1. Stakeholders of Platinum Bank



The team of Platinum Bank is comprised of:

- **A wonderful team of employees.** Personnel are a valuable resource. The bank develops the skills and knowledge of its employees, pays attention to their personal growth, as the success of employees is the success of the bank itself.

- **Shareholders of the bank,** who have considerable influence on the operation of the bank. Thus, it is very important to know and take into account their interests.

- **Clients of the bank** – they are also a part of the team, with the help of which the bank wins its "championships". Platinum Bank highly values each of its clients, creating comfortable conditions for cooperation and constantly studying their interests and opinions. The bank actively communicates with clients at the [forums and in social networks<sup>23</sup>].

- **Community or the people** of cities and regions, where the bank operates. This is the most

<sup>22</sup> Stakeholders of the bank are defined by the CSR Committee.



<sup>23</sup> These forms of communication are the most efficient, according to the feedback from the clients.



heterogeneous group, as it includes partners, mass media, [contractors<sup>24</sup>], public organizations and orphanages. The bank actively cooperates with this group as it realizes its important role in the development of both the community and the country. For example, one of the bank's projects – promotion of financial literacy – in future will contribute to the economic and financial development of the country.

Types of cooperation with the stakeholders are very diverse. The bank organizes forums, round tables, conferences, seminars, trainings and invites the stakeholders. It also is a member and active participant of many associations. The bank organizes meetings, provides consulting services and asks stakeholders to fill out the questionnaires. As well, the bank prepares a financial report and a sustainable development report, supports a corporate

web-site and pages in social networks, takes part in discussions on the pages of mass media. The bank even has its own mass media – corporate newspapers "Platinum News" and "Vestnik [Bulletin]". The main task of all these activities is to hear each other and to understand what is supported by the stakeholders and what is not. And afterwards – to make a well-balanced decision.

So, this is the team of the bank. In some aspects – very diverse, as everyone has one's own interests, plans and desires. And very alike in other aspects, as every one of them is glad to cooperate with the bank. And in this cooperation, sometimes the bank offers its shoulder in support, and sometimes the stakeholders help the bank with advice or recommendations regarding the [improvement of something<sup>25</sup>].

<sup>24</sup> According to the rating "Marketing Media Review" (April 2012, Ukraine), the bank entered TOP-10 of companies, which organize the most ethical tenders for advertising services.

<sup>25</sup> For example, improving the products or realizing a new project.



## Important issues of reporting

### How often do you take time to think – what is the most important thing for you?

As, if you want it all and want it now, or have no targets at all, the advancement and development of the human being becomes a chaos. Defining an important issue or desire in your life helps to concentrate on it and to achieve it much quicker. The same is true about the organizations. Every organization needs to define its important issues. Cooperating with the stakeholders, their opinions regarding the importance of this or that issue also help the bank to create the matrix of important issues. **In order to reflect the issues in the matrix in their fullness, the bank:**

- conducted a complex analysis of publica-

tions in mass media;

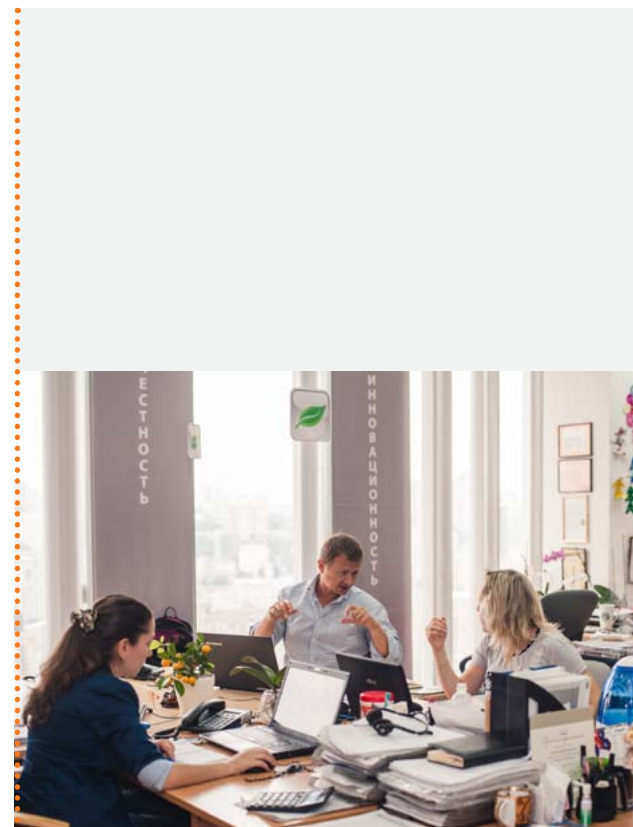
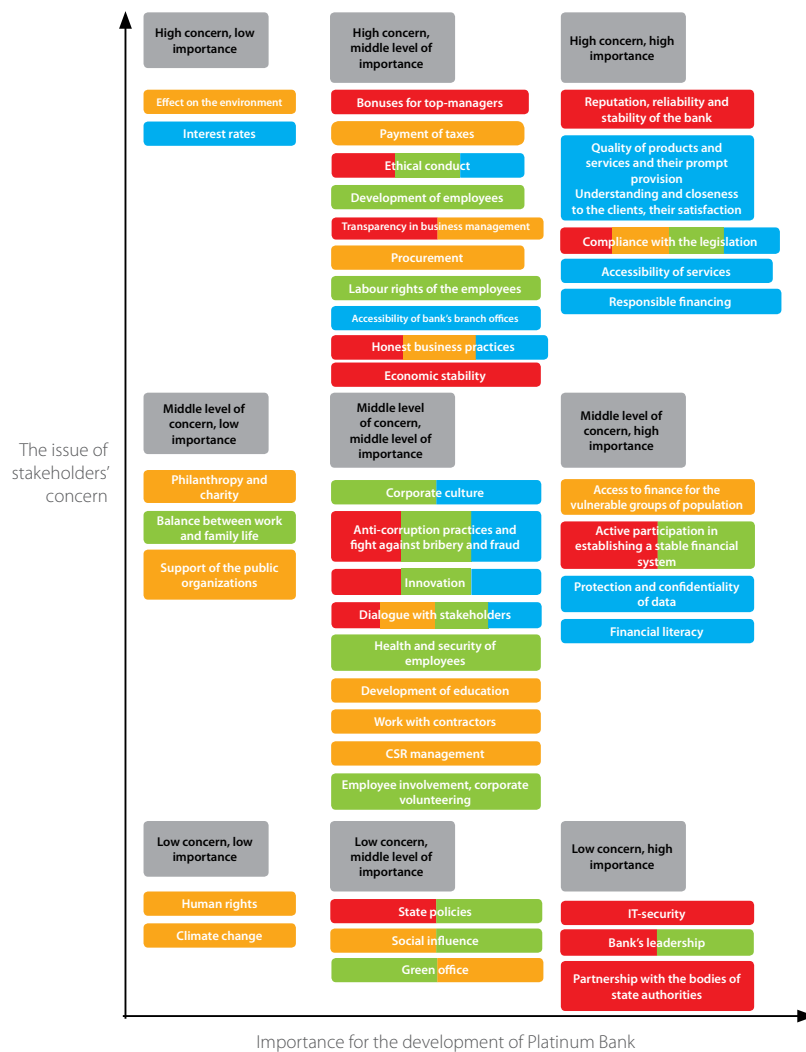
- studied the protocols of CSR Committee meetings, corporate policies and other documents;
- collected opinions, expressed by the stakeholders at various events;
- analysed the results of global and national research studies regarding important issues in the banking sphere;
- evaluated the results of questionnaires and statements from the clients and business partners.

And this is how the summarizing matrix of the most important issues for the bank and its stakeholders was created (img. 2).



**Img. 2.** Matrix of essential issues of Platinum Bank (based of the analysis of the industry)

■ - shareholders   
 ■ - employees   
 ■ - clients   
 ■ - community





The matrix reflects 50 issues. If we compare the essential issues [of 2011<sup>26</sup>] (Table 1), one can see how significantly the essential issues changed in just one year. For example, in 2011 there were 3 blocks of essential issues, and in 2012 – the number of issues has grown and 4 issues of the utmost importance for the bank and its shareholders were identified.

**Table 1. Changes in essential issues 2011-2012**

Sets of essential issues 2011	Essential issues 2012 (for the bank and for the stakeholders)
	Reputation, reliability and stability
“Platinum Standards”	Quality of products and services
Accessibility of financial services	Understanding and closeness to the clients, their satisfaction
Financial literacy of the population	Responsible financing

**Reputation, reliability and stability of the bank** create trust. And for the bank, the trust between the bank and the client is essential. That is why **Platinum Bank** does all it can to keep its reputation spotless, so that none of its partners would get even the slightest doubt in its reliability and stability.

**Quality of products/services, their prompt provision** – this is what a client wants, entering a bank. **Platinum Bank** knows this and understands it very well. That is why the bank constantly develops innovative products and works on improving their quality and promptness of their provision.

**Understanding and closeness to the clients, their satisfaction** – this is the next level of relationships with clients. The bank constantly conducts surveys and polls to learn the opinion of

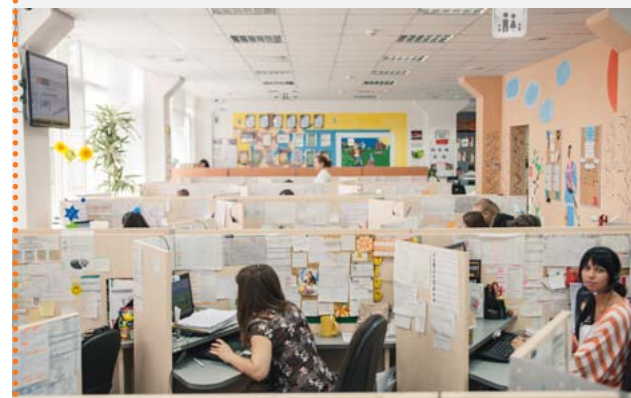
clients and if they are satisfied. In **Platinum Bank** any client has the opportunity to express one's point of view and get an answer to any question.

**Responsible financing** – this is an essential issue for **Platinum Bank**. First of all, the bank's employees explain to the client all the details of the agreement. The client must be sure, that the terms and conditions are not subject to unilateral change. [Secondly, the bank provides loans only to the people for whom the monthly load of loan repayment is not likely to become an intolerable burden for the family budget.<sup>27</sup>]

Many essential issues of the matrix are reflected in this report of the bank. As such, the bank chose for itself the main goals to strive for.

<sup>26</sup> The full list of essential issues in 2011 you can find in the non-financial report 2011. [http://www.platinumbank.com.ua/upload/files/PTB\\_2012\\_web.pdf](http://www.platinumbank.com.ua/upload/files/PTB_2012_web.pdf).

<sup>27</sup> The quality of client's life improves as he or she doesn't need to seek out the money with which to repay the loan.







## BANK'S EMPLOYEES

**Any company is, first of all, people. Platinum Bank is proud of its employees.** 2012 the

*Table 1. The employees*

bank employed [4 528 people <sup>28</sup>] (Table 1).

Employees	2010	2011	2012
<b>Total number of employees</b>	<b>1 633</b>	<b>4 028</b>	<b>4 528</b>
<b>Full-time employees</b>	<b>1 624</b>	<b>4 018</b>	<b>4 528</b>
<b>Part-time employees</b>	<b>9</b>	<b>10</b>	<b>0</b>
<b>Age of employees</b>			
< 30	890	3 268	3 628
31-50	656	662	753
>51	87	98	147
<b>Number of women-employees in the bank</b>	<b>1 218 (75%)</b>	<b>3 285 (81%)</b>	<b>2 409 (53%)</b>
<b>Number of men-employees in the bank</b>	<b>415 (25%)</b>	<b>743 (19%)</b>	<b>2 119 (47%)</b>
<b>Women in top-management positions</b>	<b>2 (20%)</b>	<b>2 (20%)</b>	<b>2 (20%)</b>
<b>Men in top-management positions</b>	<b>8 (80%)</b>	<b>8 (80%)</b>	<b>8 (80%)</b>
<b>Amount of sick-leave days per 1 employee</b>	<b>There was not records</b>	<b>2.7 days</b>	<b>5.3 days</b>
<b>Number of employees with special needs (total/ in the programme)</b>	<b>The programme was being elaborated</b>	<b>220 /36</b>	<b>117/38</b>

The bank has the Employee Policy. This document stipulates clear responsibilities of the bank, [top-managers <sup>29</sup>] regarding the employees. It also stipulates the obligations of the personnel towards the bank. For example, **Platinum Bank** is responsible for giving incentives to the employees, treating them with respect and informing them

on the timely basis. The bank also supports openness in the replies to complaints from the employees, and takes measures if someone in the team demonstrates inappropriate behaviour. At the same time, the obligations of employees include working in the interests of the bank. The employee must adhere to the legislation and regulatory

<sup>28</sup> In the branch offices of the bank worked 718 people, in the Express channel - 2 410.



<sup>29</sup> For example, top-managers are responsible for comfortable atmosphere, finding the best solutions to the task in front of them, giving incentives to their subordinates.



documents of the bank, uphold the principle of confidentiality. All these norms, on the one hand, might seem simple. But on the other hand – it is important to clearly articulate them once again, so that everyone (employee, bank, top-manager) knows the area of one's responsibility.

Undoubtedly, the efficiency of employees' work is influenced by the working conditions provided. This is the responsibility of the bank. In 2012 **Platinum Bank** opened a new office for [two departments<sup>30</sup>]. The employees liked the premises right away. New office has a cosy kitchen, a recreation room, where one can play table football and darts.

## "Platinum Standards"

**Every person has his or her own system of priorities and ethics.** Priorities can be different. Depending on them, people act differently in certain situations. The same can be said about corporate priorities. They help the organization in its work and development. The priorities of **Platinum Bank** are described in "Platinum Standards". They serve as guidelines for employees, helping newcomers to adapt in the team, supporting, inspiring and educating employees.

*"When "Platinum Standards" entered our everyday work, at first it wasn't clear how they can help us do our work. But we have been working for three years now, following "Standards", and it makes our jobs much easier. Now we all speak a common language and understand that we not only have a common goal, but common ways of reaching it as well. This is real teamwork", – Marina Ryabovol, Leading Specialist of Corporate Communications.*

Now the personnel call this office their home.

*"I think that the premises where we work are in the first place!" – Victoria Mikhal, Contact Centre Operator.*

*"...good conditions, naturally, motivate us for more productive and efficient work! And we are sincerely grateful for it to our top-management!" – Maryana Yourchenko, Sales Manager.*

Besides good working conditions, the bank works on improving corporate culture and implementing "Platinum Standards". A lot of attention is paid to forming and developing the **Platinum Bank** team.

"Platinum Standards" were elaborated for two groups. One group includes all of the employees. For them, these are the main standards of behaviour in their everyday execution of job duties. The other group includes top-managers. These "Standards" stipulate the roles and responsibilities of all top-management of the company in creating and maintaining efficient working atmosphere. All employees must be acquainted with "Platinum Standards".

In 2011 a first evaluation of employees' knowledge of "Platinum Standards" and Policies took place. The testing covered 83% of all employees, out of which 91% showed adequate level of knowledge (scoring 70+ points out of 100).

And in 2012 96% of all employees took part in the test, out of which 91% showed adequate level of knowledge (scoring 70+ points out of 100).

How efficiently are employees implementing

<sup>30</sup> Collection and Card Operations



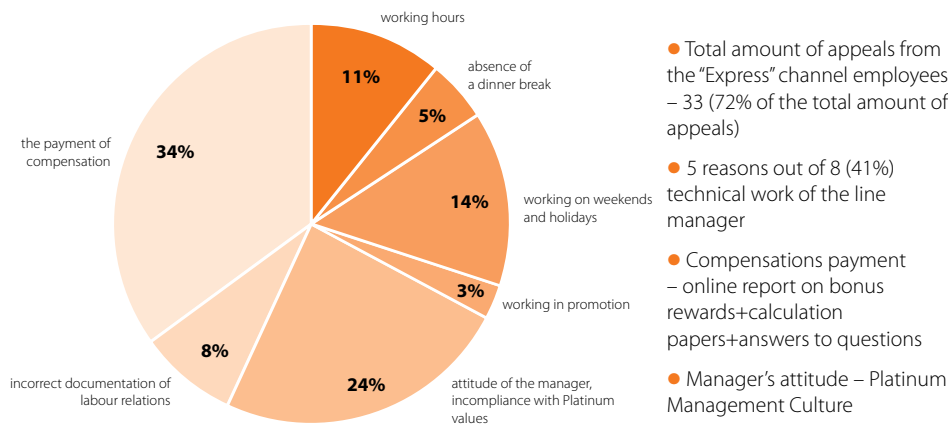


"Platinum Standards"? This question can be answered by the Platinum Delegates of the bank. This informal position was introduced to help employees in solving difficult situations. To the position of the Platinum Delegate the employees elect such colleagues whom [they trust most of all<sup>31</sup>].

In 2012 the Platinum Delegates have reviewed 38 appeals from co-workers (img. 1), out of which 72% (33) – from the employees of "Express" chan-

nel (points of loan sale). The employees appeal regarding various issues. For example, issues with working on weekends, working hours, inadequacy of the dinner break time, compensations payment or relations between employees and their managers. These appeals help the management of the bank to study problematic issues and find solutions for them.

**Img. 1. The range of Platinum Bank employees' appeals to Platinum Delegates regarding the "Express" channel, 2012**



This practice of choosing Platinum Delegates is unique for Ukraine. And due to this, at the 4th National Competition of CSR Cases (Ukraine) this practice entered the TOP-3 of winners in the nomination "Organization Management".

<sup>31</sup> In the reported year, as Platinum Delegates were elected three employees: Yegor Gnatenko – "Express" Channel Trainer, Yana Kostritskaya – Head of the Banking Documents Audit, Control and Storage Department, Yelena Kobylanskaya – deputy CFO.





## Team building



**Tatyana Hunisheva,**  
Senior Specialist of the  
Human Resources Department.

### **Team building is a very important process.**

In order to transform staff into a team, it is necessary for all employees to share the values and be

aware of their contribution into the development of the company. One of the important stages in team building is recruiting personnel. You have to choose the professionals, who share the bank's values. That is why special attention must be paid to recruiting. And that is exactly what **Platinum Bank** does.

In 2011-2012 many branch offices of the bank were opened on the regional level. And they had a lot of questions regarding the recruiting of personnel. That is why in 2012 we updated [the Regulations for recruiting and hiring personnel<sup>32</sup>].

It is very important to know what makes the company tick when you start working in it, what are the main guidelines, which should be adhered to. The programme of adaptation helps new employees to get acquainted with the values, policies, procedures, rules and standards of the bank. Due to it, the employee doesn't find him- or herself in informational vacuum, but understands

where to turn to, what and how to do and what is better to do not.

One of the important programmes of the bank is [providing jobs<sup>33</sup>] to people with special needs. [All people are equal, we all know that<sup>34</sup>], but in Ukraine it is difficult for the people with special needs to find a job. Due to the employment programme in 2012, 4 more people with special needs became the employees of the bank.

The bank has a whole programme for adapting employees in their new jobs. It is called "Employee On-boarding". Every new employee of the bank receives the Platinum Guide and goes through the adaptation period at Platinum School. In Platinum School the employee gets all necessary knowledge about the bank, its values and policies. The materials of the programme are updated every quarter or as needed. After studying all the materials, [the employee passes a test<sup>35</sup>] on the knowledge and understanding of processes. In 2012 this programme was passed by 2 500 employees.

We had also successfully implemented a programme "Building a Platinum Team". The programme rewards the employees for recommending candidates for vacant positions. If the person recommended [was hired<sup>36</sup>], the employee gets a monetary reward. This way, in 2012 were successfully covered about 10% of sales network vacancies and nearly 27% vacancies in the Head Office.

<sup>32</sup> In accordance with the approved document, in the recruiting process can participate both employees and external candidates, in the majority - representatives of local population, and discriminating on the basis of age, gender, nationality, creed, sexuality, health or physical disabilities is prohibited.

<sup>33</sup> By the end of 2011 the bank employed 36 people with special needs

<sup>34</sup> Platinum Bank has the Equality Policy, which guarantees the absence of discrimination. Also, the rights and interests of employees are protected by the Platinum Delegates. If there is an incident, the employee can talk about it either to the Platinum Delegate or to one's line manager.

<sup>35</sup> The test results show the employees what aspects they should be paying more attention to in future.

<sup>36</sup> After the initial probationary period

Building a team for us - it is not only attract staff and the quality of their adaptation, but also the retention of employees. We monthly rate monitor the fluid bank officials. In terms of the 3 main directions of the bank, the figure was up 2012:

- Head office – 17%
- Department of Department of Soft Collection – 31%
- The Department of Sales - 60%.

The main category of personnel, which gives us the highest turnover rates are Sales staff and Operations that work directly with clients. In one of the multiple sales channels – Channel Express (cash loans and loans for purchasing goods) we attract people with no work experience with the motivation to get a first experience and first earnings. An additional difficulty create the required business

agility: we are constantly monitoring the yield point and closing/opening point in very short terms in different areas of the country. We are aware all this leads to increased strength personnel. The average lifespan of a company this category of staff is small, but we are working to keep the programs and time Development (the career growth of substitution vacancies and internal reserve etc.). The effect of the introduction of a number of programs already (flow index decreases, the best employees grow within the company, the average increases the life of the employee). We further plan to pay attention to qualitative recruiting. Additionally, **Platinum Bank**, is developing programs that are aimed to avoid lay-offs of employees by their own. For this purpose we strive to close vacancies with the internal reserves and strengthen the system of a career growth. And also continue to develop unique Platinum culture.

## Team development



**Alexander Pavlov, Head Specialist in Personnel Training and Developing.**

**One shouldn't stand still!** In our bank everything is always dynamically evolving. For example, I used to work as a manager in a branch office, and now I'm teaching experts

in the points of loan sale. As a coach, I must "keep my eyes on the ball" at all times. We develop and conduct trainings on the great variety of topics:

sales, time-management, team-building. We find what is now important for the bank, what topics are interesting for the employees and start our creative process. Every trainer puts a part of his or her heart into the process of training elaboration, as it is a process, which requires inspiration. But a training well-done, with tired but happy faces of our trainees – it is always a great reward for us.

Also, trainers tell the employees about "Platinum Standards". In 2012 the bank organized a Platinum Team Day. On this day a big-scale team-building training was organized. [The training was conducted for 50 employees with the participation of top-managers of our bank<sup>37</sup>].



In 2012 two types of trainings were conducted for the managers at the Head Office (Table 2).

**Table 2.** *Trainings for the HO managers, 2012:*

Topic	Number of trainings	Number of trainees
Development of values-oriented management in Platinum Bank	10	122
Platinum Manager. Module 1	13	166

*"The training became an impressive discovery for me. I have never been taught so positively and interestingly. And, at that, I acquired many useful skills in organizing my work and my subordinates, and these skills I'm now actively implementing in my daily work. An interesting aspect was that we were taught management skills on the basis of our Values, and thus we got double benefit: obtaining new skills and revising what we already know. I*

*can't wait till the next year, when I can study the topic "Planning" in more detail" – Mikhail Babenko, Project Manager.*

The bank works, mainly, in retail, so a considerable amount of trainings is organized for the Sales Department (Table 3). For the employees of this department were organized such [trainings as <sup>38</sup>], "The 1st Convention of Business Sharks Hunters".

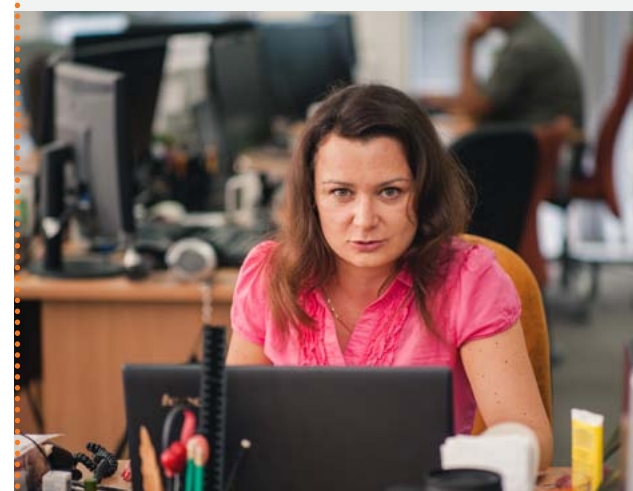
**Table 3.** *Trainings for Sales Department employees, 2012*

Position	Training/coaching, hour		Distance teaching, hour	
	1 year	2 year	1 year	2 year
Expert	32	8	184	144
Senior Expert	32	16	164	144
Branch Office Manager	44	16	248	208
HO Manager	44	8	184	144
Collection Operator	78	8*	48	48

\* – training is under elaboration at the moment, realization – July 2013.

In total, in 2012 the average amount of [training hours <sup>39</sup>] per one manager a year was 32 hours. Expenses for external trainings amounted to 1 307 000 UAH.

<sup>37</sup> After the training, the top-managers came to the conclusion that the values became a part of employees' life.



<sup>38</sup> 6 blocks of master-classes and sessions

<sup>39</sup> The cost of education comprised 163 014,10 UAH.



As you can see, the progress of employees depends on joint efforts from the great amount of people: in-house and external trainers, employees, top-management. Especially important is the de-

sire of employees to change with the bank and to change themselves. The employees of **Platinum Bank** have this desire.



## Salary and remuneration



**Lyubov Lelyakova,**  
Head of Personnel Administration.

**Salary is the reward for work. What is important for the employee?** For the salary to be respectable. It is also important for it to be "white", with all taxes duly paid. This way, in a certain

time period, the pension of the employee also will be respectable, as the organization is paying taxes. That is why salary is also a form of care for the employee, both now and in future.

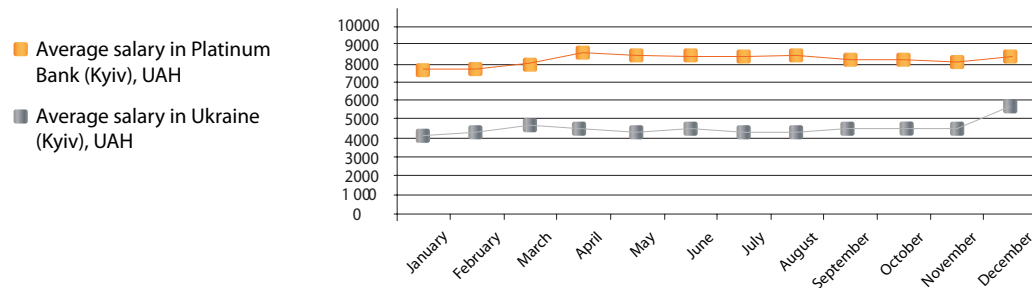
**Platinum Bank** does care about its employees. All employees are employed in compliance with

the legislation of Ukraine. That is why 100 % of personnel are getting "white" salary, with all taxes duly paid. [All employees<sup>40</sup>] are on full-time employment.

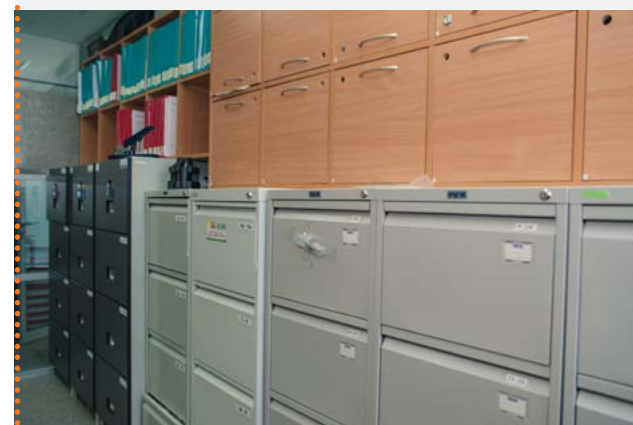
In our bank employees are highly valued as the most important resource. That is why the interaction between the bank and its employees is based on the protection of employees' interests.

The minimal salary is variable. It all depends on the place of work and job position. It starts with 1 500 UAH (in the regions) and 3 500 UAH (Head Office). It should be mentioned, that in 2012 the average salary in **Platinum Bank** was 2-2.5 times higher than the average in Ukraine (the data are comparable: the comparison was made for the same region – the city of Kyiv, img. 2).

**Img.2. Correlation of average salary in Kyiv and in Platinum Bank, Kyiv**



<sup>40</sup> 100% of employees are covered by the Collective Agreement.



<sup>41</sup> One trip charge cannot exceed 70 UAH.

Additionally, we have the procedures for giving bonuses to employees. As of today, there are 17 such procedures and they are covering all the employees. For example, all personnel are insured. Some employees get compensations for using personal cars in business-matter trips (there is a fixed limit), others – business-matter usage of public transport. Also, there is a compensation for [taxi tariffs <sup>41</sup>] for business-matter trips (if the company car is unavailable). Employees on certain

positions are compensated by the bank for representational expenses (inside the limits of the department's budget and of the Gifts Policy).

**Platinum Bank** values its employees. They are the most important resource of the bank. That is why the interaction between the bank and its employees is based on the protection of employees' interests. This is also demonstrated by the remuneration policies of the bank.



## There's no such thing as "no solution"



**Elena Mardal, Internal Communications Manager.**

**2012 was rich in success stories and important achievements for the bank.** Together the employees rejoiced when important business projects were realized, when the bank showed good

financial results and won top-positions in various ratings.

Life showed, that even riding the wave of success, our employees know compassion, support and mutual aid. So much pain and hope was in the appeals for help from our colleagues – health problems of children, parents, employees themselves. So very different and at the same time similarly difficult situations. This year, together we managed to help 24 people. Due to the joint efforts of bank's team they received a general amount of over [300 000 UAH<sup>42</sup>]. And behind

these, albeit impressive, but dry numbers, behind every appeal – there is a desire of our employees to help. Dropping banknotes into the special boxes, even if the sum is very small, we brought a person closer to the chance to recover or to save one's nearest and dearest. That is worth a lot!

Employees helped from the bottom of their hearts. And [the bank doubled<sup>43</sup>] their help and forwarded it to those in need. **Here are some of the examples, showing the work of such help:**

- Due to the aid from her colleagues, our employee's husband, after a very grave traffic accident and spine trauma, received all necessary care and treatment, and he can now walk and his general state of health is satisfactory.
- Our employee's mother got an opportunity to continue cancer treatment, and even though she still needs chemotherapy sessions, she has a chance at recovery.
- Our other employee's father underwent the heart surgery, due to which he is now alive and well.

<sup>42</sup> Additionally, in accordance with the Collective Agreement, the employees of the bank in 2012 received 529 265 UAH of financial aid.



<sup>43</sup> The bank has a project titled "Financial Support of Employees". It is aimed at providing assistance to employees, who found themselves in a difficult situation. For example, an employee finds himself or herself in a difficult situation, which requires considerable financial expenses. It can be medical treatment for a child, wife/husband, in connection with a life threatening condition or a force-majeure situation (fire, flooding, etc.). In such cases, there is a call for fundraising among the employees of the bank for the financial aid. The sum, collected by the employees, is doubled by the bank.

• Our employee, who was diagnosed with pancreas cancer, underwent a course of treatment and is now back “in the ranks” and is working.

• After a severe beating of our employee’s mother, who received very grave injuries, she received and continues to receive necessary treatment and feels much better now.

There are many stories like that. All employees

and their relatives, who received aid, express their sincere gratitude to their colleagues and to the bank for supporting them in the time of need:

*"Many thanks to all, who were charitable and didn't deny their support to our employees in her time of need. May GOD reward you with doubled good health, happiness, luck and kind people on your life path. All the best to you all!"*



## HONEST BUSINESS PRACTICES

**Do you know, that the word “bank” originated from the Latin word meaning “table”, on which Roman money changers placed their coins?** If the money changer started to swindle, his clients could break his table – “banko rotto”, and this is where the word “bankrupt” comes from. Turns out, from the ancient times the words “swindle” and “bankrupt” are closely tied. This connection is even stronger in our days. If the company is dishonest, it will, sooner or later, go bankrupt. That’s why honesty is so important in doing business.

It’s twice as important in the financial sphere, as banks work with money on the daily basis.

Fighting fraud, corruption and bribery is one of the priorities of **Platinum Bank**. The bank pays a lot of attention to honesty, both of its employees and of relations between them and clients or partners. The bank strives to create the corporate culture of responsibility, implementing “Platinum Standards” and its Policies (img. 3).

**Img. 3.** Platinum Bank’s documents regarding honest business practices.



**Conflict of Interests Policy** in Platinum Bank prohibits the [employees from actions<sup>44</sup>], related to the conflict of interests. For example, employees cannot forward confidential information to the third party or act as consultants for another company, etc. The existence of such Policies helps prevent future risks. The important part is to get the information about a conflict of interests in time. And that is what happened in 2012, when the bank faced the early stages of two cases of conflict of interests of employees in the regional sales departments.

#### Story 1:

*One manager wanted to employ his child for the lowest position in his regional branch. On the one hand, the manager wouldn't have been the line manager of his child, but on the other hand – he could influence on his child's promotion or reward with a bonus. The managers of this branch turned to the HR Department asking to clarify the bank's Policy and solve the issue in question. As a result, the bank didn't hire the relative at that branch office, but recommended to consider the candidate for the vacancy in the sales channel of the neighbouring region on the equal terms with other candidates.*

#### Story 2:

*The Head Manager of one of the sales departments married her subordinate. One month before the wedding, the manager turned to the HR Department asking to clarify the bank's Policy. As a result, the employees were offered several variants of solutions. None of the variants was realized, as offered vacancies in different departments didn't appeal to the employees, and recommended quickened career promotion of the wife in other branches of the oblast was impossible due to the absence of vacancies at the moment. The conflict was resolved, when soon after marriage, one of the spouses has left the company.*

In accordance with the **Gift Policy**, the bank's employees cannot present gifts or provide services to the candidates of political parties, employees of the bodies of public authorities or international intergovernmental organizations (i.e., the UN). Moreover, even gifts due to professional holidays (such as Accountant's Day, Civil Servant's Day) must be approved by the Audit Department (compliance).

<sup>44</sup> In the case of conflict of interests incident, the employee is obliged to inform the bank immediately.





How employees can present gifts to business partners	How employees can accept gifts from business partners
<p>The bank's gift policy allows its employees to present gifts to the business partners worth from 800 to 4 000 UAH, under the condition that such gifts are one-time only, due to the company's jubilee or a professional holiday.</p>	<p>The employees can receive gifts and services worth no more than 800 UAH. In exceptional cases, employees can accept infrequent gifts worth up to 2 400 UAH, but about such gifts they are obliged to inform their manager. If the clients or partners present gifts more expensive than 2 400 UAH, they cannot be accepted and must be returned. In some cases it is difficult or awkward to return such a gift. In these cases, the employee [submits<sup>45</sup>] the gift to the Corporate Communications. Further on, it will be used at the charity auction and will help those in need.</p>

As such, honest business practices, be it in regard to gifts or conflict of interests or any other aspects (conducting honest tenders and fighting

fraud) help the bank to become a stronger organization with Platinum corporate culture.



## Transparent tenders

**Conducting honest tenders is one of the important tools for counteraction towards corruption and bribery, a marker of how transparent the organization is.**

In 2011 Platinum Bank signed the Declaration on Responsible Business-Partnership in relation to partners and contractors. The bank aims at reaching the level of conducting tenders according to

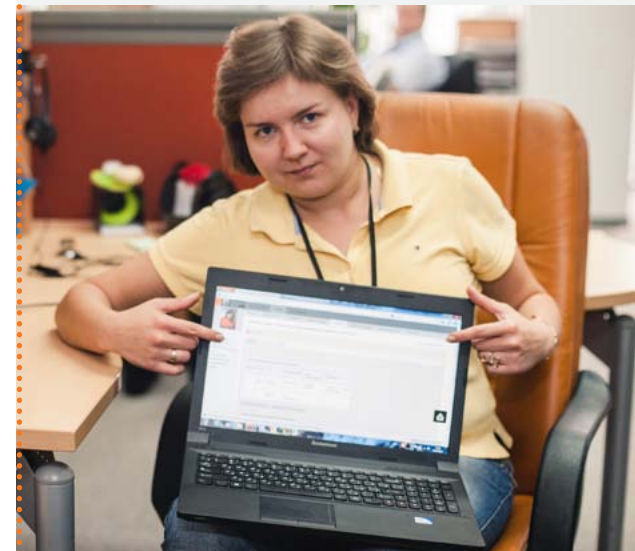
the international standards.

Additionally, in 2012 the bank introduced the online system of tender procurement – [BUYER Pro<sup>46</sup>]. All actions of the system users are strictly controlled and fixed in the archive of actions, which makes [procurement procedures<sup>47</sup>] of the bank absolutely transparent.

<sup>45</sup> In 2012 one employee was presented with a gift of tickets to the football match. The employee submitted them to the Corporate Communication. A charity auction was organized in the HO (as the match was in Kyiv). Tickets were sold and the money was spent for buying things for children in orphanages.

<sup>46</sup> In 2012, 10 online tenders were conducted.

<sup>47</sup> Tender is conducted for the purchase of over 200 000 UAH. If the purchase is within the limits of 20 000–200 000 UAH – the bank and the contractor are signing an Agreement. If the purchase is less than for 20 000 UAH – it is done by properly documented invoice.



Img. 4. Groups of influence in Platinum Bank



*"We have set for ourselves such goals as: transparency of the procurement process, optimization of all processes, creating a unified database of suppliers and simplification of centralized control over the procurement process. I can say that we achieve all these goals with the help of the new system for conducting tenders online. This system allows all participants to monitor the situation development continuously. And we uphold the principle of honesty and transparency."* – Nikolay Rudnitskiy, Head of the Administrative Department.

Interestingly, the names of the competitors are unknown for the tender participants, but the best

price bid and step-by-step rates in the purchase are available for viewing. At a certain time all bids are opened, further on they are evaluated and approved, and after that – passed to the next round. The BUYER Pro system ensures absolute protection of the information and totally excludes its leakage/disclosure or the human factor in evaluating the materials submitted for tender. More detailed information can be seen on the web-site of Platinum Bank in the section "Tenders":

<http://www.platinumbank.com.ua/view.tendersb>

Online tender system proves once again the systemacy of bank's approaches to establishing honest partner relationships with contractors.



## Fight against fraud

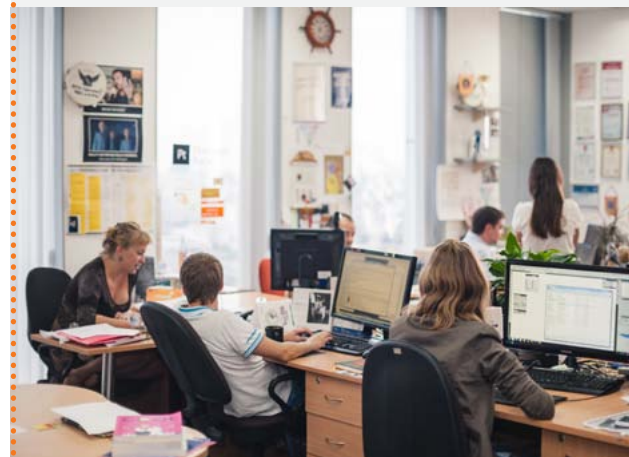


**Andrey Ihntov,**  
Deputy Director of  
Risk Department.

**In accordance with the Counter-corruption and Anti-fraud Policy, Platinum Bank strictly**

**nips in the bud all cases or attempts at corruption activities. It**

is very important to expose the fraud activities at the early stages. In particular, at the point of loan sale, when providing a loan, the client is photographed, asked to show the passport. It is necessary for the employee to have a very good look at the passport of the potential borrower. Although, quite often the clients provide passports in very poor state, and sometimes even with incomprehensible handwriting. What could be done in such cases?



In 2012 **Platinum Bank** asked its employees to propose ideas for exposing fraud. 150 employees took up the call and proposed simple, but efficient measures, which were introduced into the daily activities of the bank. One of these wonderful ideas was [providing the employees at the points of loan sale with magnifying lenses<sup>48</sup>]. The usage of magnifying lenses allows for better verification of the seals in the passport and other documents of the client. Besides, the process of verification itself, when the expert diligently studies the passport through a magnifying lens, makes fraudsters nervous.

**Platinum Bank** is constantly working on preventing possible fraudulent activities. We are happy that our employees show enthusiasm and propose new ways of solving problematic issues. The usage of magnifying lenses allows for better verification of the seals in the passport. Besides, this new addition also helps in communications with elderly clients, who can use it to read the loan agreement.

There are also obligatory trainings for the employees of the bank regarding the prevention of external fraud. Due to all this and the activity of employees, in 2012 were exposed 3 fraud cases during the acquisition of the loan.

As well, there are traditional secret inspections of employees, who work with clients, with the aim of exposing corruptive or fraudulent activities. Unfortunately, in 2012 two employees illegally

provided loans, using the documents without the knowledge of their owners. Due to the prompt reaction of the security service, the violations were exposed and [the perpetrators<sup>49</sup>] were declared to the law-enforcement authorities.

On the national level, the cooperation of banks also helps to efficiently prevent fraud. For example, in 2012 **Platinum Bank** chaired the Working Group on Activation of Interaction between the Credit History Bureau and banks under the Forum of International Financial Institutions. The Working Group elaborated a series of propositions regarding the improvement of the Credit History Bureau's work and amendments to the Law of Ukraine "On the formation and circulation of credit histories". The propositions concerned the enhancement of Bureau's access to the information in state registers. This would allow for the banks to conduct more thorough check-up of clients, improve the quality of the bank's credit portfolio and in general to improve the stability of the banking market.

Also, our bank cooperates with two bureaus of credit histories: The First All-Ukraine Bureau of Credit Histories (FABCH) and Ukrainian Bureau of Credit Histories (UBCH). In FABCH **Platinum Bank** is the largest shareholder among all the members of the Bureau and is an active participant of partner relations.

<sup>48</sup> Now all 1 500 points of loan sales have magnifying lenses.

<sup>49</sup> As a result of the investigation, the ex-employees of the bank were held criminally liable with the obligation of recovering damages to Platinum Bank.





## Responsible marketing



**Alexander Davydenko**,  
Head of the Department for  
Development and Support  
of Marketing Communica-  
tions.

**Responsible marketing – means creating real value for clients, which improves their quality of life, and honest advertising, which is aimed at this value.** Responsible marketing is also the ethical treatment of competitors, which we bring to the sales manager.

Platinum Bank practices responsible marketing. In all our advertising layouts we maximally reflect the detailed legal interpretation, in order to provide exhaustive information to the clients and to comply with the requirements of all regulators in the banking market. One more example can be the large-scale advertising campaign [“Rules of honest deposits”<sup>50</sup>]. The bank formulated for its clients some simple and understandable rules, which demonstrate the benefits of placing deposits.

*“I want to stress that “Rules of honest deposits by Platinum Bank” – is not another advertising event with a limited term of effect. These are the principles, which we are using in our work with*

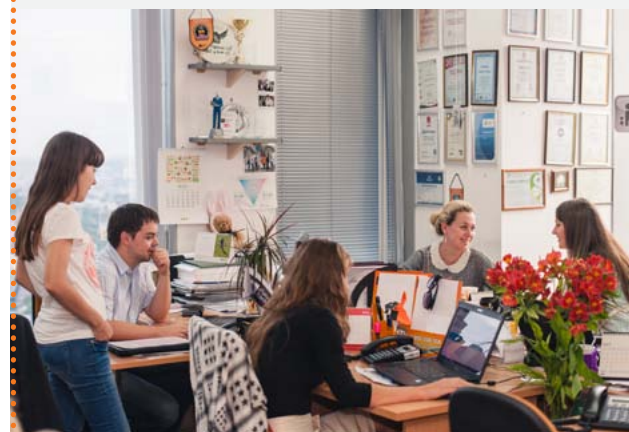
*clients, and one of these principles is honesty. That is why in our advertising campaign we decided not to invent something, but simply to tell about the rules we follow in our work”*, – says Andrzej Olejnik, Chief Marketing Officer.

We also share our experience with other companies. Platinum Bank took part in the elaboration of the Guide on Responsible Marketing. [The initiators of this work<sup>51</sup>] were the Centre “CSR Development” and “Women’s Consortium of Ukraine” with the support of Democracy Grants Program of the US Embassy in Ukraine. The organizers planned to elaborate guidelines for raising the awareness of responsible marketing, as well as to form responsible marketing culture in Ukrainian business. In December 2012 the Guide on Responsible Marketing was presented to the stakeholders.

*“Taking into account today’s reality, what we need is exactly the steps from socially responsible companies on the endorsement of a code (of ethical principles) of responsible marketing, as it is in the European countries. Only the advertisers themselves, representatives of the business, can raise the advertising to a higher level and make it a component of their socially responsible approach. One of such steps became the creation of this Guide for the companies on responsible marketing. I’m grateful to Platinum Bank for the support*

<sup>50</sup> With the example of its product line (“Cash Monthly” deposit), Platinum Bank demonstrates the honesty and transparency of its deposits placing conditions.

<sup>51</sup> The working group on the elaboration of the Guide also included marketing directors of such companies as: METRO, Prikarpatyeoblenergo, TetraPak, BDO, life:)





*of this initiative and participation in it", – Marina Alekseenko, President of Women's Consortium of Ukraine.*

Every day we are learning with the market and working hard to do the right thing. However, in our history, there are difficult moments. So, in 2012, Zhytomyr regional territorial office of the Antimonopoly Committee of Ukraine (AMC [RM1]) has fined Platinum Bank on 50 th. for the fact that our marketing materials did not contain complete information about the service. In particular, the advertisement contained the phrase, "Spring loans and spring gifts - 0% share" with an indication of where you can find detailed information and time of such action, and without any information about the sum of all costs for the use of consumer credit, which is about 35 % per

year. Despite the fact that the legislation is not regulated in detail what needs to be disclosed for legal transcripts for advertising layouts (no commitment as indicated in the advertising fee for a loan, the monthly fee for the service, which is compulsory credit life insurance), paid a fine, and we took into account the recommendations of the Antimonopoly Committee.

This experience taught us that we should not just comply with the law. He taught that we must put yourself in the customers and advertising supplement such information, which may not be governed by the laws. This has helped us to create a kind of "filter" for the conduct of ethical and responsible marketing. And it's not just promotional materials, and all of our employees who work directly with customers in the field.



# СООБЩЕСТВО



- Платиновые посадки
- Памперс-лихорадка
- Опять в школу
- Благотворительные магазинчики
- День Святого Николая
- Компьютерные классы
- Добрые Дела
- Донорство
- Волонтерство в ОХМАДЕТ
- Пробеги
- Регаты



КОМПЕТЕНТНЫЕ  
СТАДИИ  
СТАДИИ



Содержание  
1. Введение  
2. Миссия  
3. Цели  
4. Задачи  
5. Структура  
6. Финансирование  
7. Заключение



## CONTRIBUTION TO THE SOCIETY

**Even in the early Rus people strived to help the needy: poor families, educational facilities, etc.** All that had a word for it "vklad" – "contribution". At that, giving someone your "vklad" was a serious and well-weighted decision. And that's why you couldn't take your "vklad" back.

Platinum Bank has a serious and well-weighted approach to its contributions to the society as well. One of the important programmes concerns people with special needs. Platinum Bank

not only provides jobs, but also organizes the adaptation programmes. Also, in 2012 the bank installed [ramps or buttons for calling a manager for help<sup>52</sup>] in all its departments. This way the bank takes care of the needs people with special needs. Additionally, the map of branch offices was elaborated with a special marker "access for people with special needs" and it was placed in the web-site of the bank (<http://www.platinumbank.com.ua>) for the convenience of clients.

<sup>52</sup> Before installing ramps, the audit of branch offices was performed. Now all of the 73 branch offices are equipped with a ramp or a button for calling a manager for help.



### Financial education



**Elena Shcherbina,**  
Head of the Sustainable  
Development.

**Platinum Bank has been improving the level of people's financial literacy [for three years<sup>53</sup>].** A financially literate person can competently control one's expenses and income,

plan family or personal budget. And that is why it should be taught from school. As in future, on the financial literacy of the population depends the economic development of the country.

Unfortunately, so far, in Ukraine the level of financial literacy is rather low. Only 28% of adults can answer correctly three simple questions about finances. It means that such adults cannot

pass adequate financial knowledge to their children.

We studied the USAID research on the topicality of this issue and decided that we, as a financial organization, are simply obliged to conduct meetings for improving financial literacy. And that's how the programme "Platinum Posidelki" appeared. Its popularity continues to grow and we continue to develop and improve it.

Now children in any region of our country can attend the meetings and get new knowledge about the world of finance absolutely for free. [The meetings<sup>54</sup>] have a non-formal atmosphere. The highest attendance of financial literacy lessons from **Platinum Bank** was by the children in Dnipropetrovsk, Donetsk, Zhytomyr, Lougansk, Cherkassy, Chernyiv and Kharkiv oblasts, and in the AR of Crimea (img.1).



<sup>53</sup> 25 000 children attended "Platinum Posidelki" in 3 years. Children have learned more about money, how to manage it responsibly and use properly.

<sup>54</sup> In 2012 were organized 364 meetings with the participation of 8 523 children within the framework of the programme "Platinum Posidelki".



**Table 1.** "Platinum Posidelki" in 2012

Department	Meetings conducted	Children attended	Adults present	Leading regions
"Express" channel	255	5 938	646	Nikolaev oblast, Kharkiv oblast, Lougansk oblast
"Branch" channel	109	2 585	218	Dnipropetrovsk, Novomoskovsk, Nikopol, Krivoy Roh, Dniprodzerzhynsk, Pavlograd

Employees-volunteers tell interesting stories about the origins of money and banks, invent games with practical pieces of advice. For example, in the game of "Monopoly" the schoolchildren have a choice: they can put the money aside, can buy one enterprise or wait till there is a possibility to buy another, bigger one. This way children learn how to manage money and in future this skill will come in handy for them as adults. In total, within the framework of the programme were elaborated 6 lessons for various age groups: for kids of 7-12 and for teens of 14-16.

The main symbol of these meeting is the – [fish Monia (Monetka [Coin]), widely loved by the schoolchildren<sup>55</sup>]. The bank receives positive feedback on the programme "Platinum Posidelki" from schoolchildren, their parents and teachers.

**"Lessons of financial literacy "Platinum Posidelki", conducted by the employees of Platinum Bank, were very interesting and useful for pupils, who study the subject "Economics", – Svetlana Viktorovna Kovpak, Principle of the Melitopol TEC № 16 "Kindergarten-school-HEI".**

**"There was an interesting case, when one boy, after our meeting with the topic "Many a little makes a mickle", came home and asked his Mom**

**to deposit his money into a bank – the money he got as a birthday present from his Grandpa. It is nice to know, that our meetings not only provide children with interesting information, but also help them in understanding the value of earned money and why it shouldn't be wasted on the unnecessary things", – Galina Kotsyubyichuk, Head of the Branch Office, Kyiv**

**"We regularly organize "Posidelki" in our branch office. Every week children come to us and learn more about finance. Many already know about our "Posidelki" and we are often invited to schools for organizing the meetings for the whole class", – Zhanna Daineko, Head of the Branch Office, Zaporizhzhya**

Programme "Platinum Posidelki" is supported by our employees, clients and partners. In 2012, at the third exhibition of social and environmental projects of companies "CSR MarketPlace" the programme was voted №3 by the visitors.

Anyone can attend a meeting or invite "Posidelki" together with the main symbol of these meetings – a fish called Monia. On the proper attitude of children towards finances depends the development of the country in the whole, including an individual family and business.



<sup>55</sup> Monia tells its young audience interesting stories and educational facts on the topics: "Many a little makes a mickle", "Money of different countries: rouble, dollar, euro", "Ukrainian hryvnya and pocket money", "Journey to the Bank Country", "Personal budget", "Profession: a Banker".





## Education of the Highest Level

There are about [20 000 comprehensive educational institutions<sup>56</sup>] in Ukraine. According to the data of the Ministry of Science and Education of Ukraine, 87.2% of schools are computerized. But sometimes the status of "computerized" is given to a school with just a few very old computers. Quite often in the boarding-schools and in village schools there are no computer rooms, and there is little chance to get them as a gift from parents. That's why, [for the third year in a row,<sup>57</sup>] Platinum Bank conducts the All-Ukraine Competition for Schools "Education of the Highest Level". The aim of the competition is to computerize the educational process and to make it both interesting and useful. According to the competition's rules, the teachers, together with pupils, elaborate game-like lesson-projects for the subject "Basics of Economics", with the obligatory usage of computers. As a result, winner-schools get equipped with the computer classes (one per school).

"Nowadays everything happens very fast, that's why for a modern young person it is very important to obtain computer knowledge. If you don't have the skills of computer literacy – automatically you are losing millions of opportunities. We want the new generations of Ukrainians to have the opportunity for on par competition with their peers from European countries. As such, we strive to introduce modern technology and methods of teaching into such Ukrainian schools, which need it the most", – Viktoriia Mykhno, Head of Corporate Communications.

For the competition in 2012 were received 37

applications from the schools in various regions of Ukraine. [The panel of experts<sup>58</sup>], consisting of the representatives of partner companies of the project, defined 12 winner-schools. The bank helped to equip computer rooms in these schools with 120 laptops and 12 multifunctional devices (scanner-printer-copier device). As such, 3 000 more schoolchildren now got the opportunity to study with the usage of computer technology.

"I'm happy to have won this competition. Now my pupils and I can work on serious projects, which were inaccessible for us before. There are over 1 000 pupils in our school and all this time they were using the computers of the 90's, which were very limited in their abilities. Now I have loads of ideas as to how the bank's gift can be used. I'm sure that children will greatly appreciate the new computer room", – Zoub Natalya Mykhailivna, teacher of computer science in CTEC "Vsesvit", Matvyivka, Zaporizhzhya oblast.

For the third year, the partner of the project is the company "Microsoft Ukraine".

"Within the implementation framework of the Microsoft program "Partners in Learning", we support the Platinum Bank's initiative. From our side, we organize practical trainings for teachers regarding the usage of IT for improving the quality of education and efficiency of the school administration's work. Such complex approach ensures qualitative changes in the system of secondary education and gives the pupils more opportunities in realizing their potential in this very country", – Olga Svyridenko, Coordinator of the "Partners in Learning" program with "Microsoft Ukraine".

<sup>56</sup> Out of which 13 000 are located in villages.

<sup>57</sup> In total, during the operation of the project were opened 36 computer classes.

<sup>58</sup> The partner of the competition "Education of the Highest Level"-2012 was the International Charity Fund "Centre of Future Social Projects".



Also, in winner-schools the employees of **Platinum Bank** organize the lessons on financial literacy for the pupils – “Platinum Posidelki”. And the company “Microsoft Ukraine” conducts trainings on the following topics: “Digital Technologies”,

“Windows for Education”, “Work with Microsoft Office 365”.

During the time of the project, the bank has already granted about 300 computers to schools and orphanages in various oblasts of Ukraine.



## Corporate volunteering

In 2012 **Platinum Bank** continued to conduct its annual [charity actions<sup>59</sup>] (img. 1).

*Img. 1. Results of charity Platinum Bank actions – 2012*

“Pampers-Fever” – covered 92 babies in 5 orphanages and oblast Mother and Child Care Centres, 19 346 UAH were gathered for purchasing diapers for the Centres.

“Back to school” – granted 207 school sets for the sum of 13 445 UAH.

“St. Nikolay’s Day” – provided support for 341 little dwellers of 5 orphanages.

Considerable attention was paid by **Platinum Bank** in 2012 to the development of corporate volunteering. Any organization is, first of all, its employees. That’s why the support of any initiative by the organization without the involvement of its employees often leads to the cancellation of the project or to the employees being sceptical about such initiatives. **Platinum Bank** does it differently. In 2012 the amount of volunteers has grown. Moreover, the employees can propose the organization, which they consider to be in need of help. From its side, the bank offers the opportunity to take part in such initiatives during the working time, provides transportation and helps in procuring necessary materials.

In 2012 **Platinum Bank** involved its partners in its charity projects. The bank decided to congratulate

late their partners with New Year not by means of presenting post-cards, but presenting [CSR certificates<sup>60</sup>]. In 2012 were presented 395 certificates for the total sum of 78 800 UAH. These contributions allowed for congratulating children with the holidays and presenting them with development games, warm clothes, footwear, personal hygiene means and sweets.

The clients are also involved into the social projects of the bank. As more and more people learn of the charity projects of **Platinum Bank**, they turn to the bank for a piece of advice. For example, the bank’s client from Kharkiv, Yevgeniy Vorobyov wanted to give part of his finances for charity. He turned to the bank. As a result, the bank bought 3 boxes of tinned stewed meat for the Lyubotyn Mother and Child Care Centre in Kharkiv oblast.



<sup>59</sup> Organized 11 regional charity actions

<sup>60</sup> In the certificate were stated the sums from 100 to 300 UAH, which were accumulated by the bank, and the purchase of necessary things for supporting orphanages took place.

"I had a strong desire to give a part of my finances for charity, so that they would be useful. Knowing that Platinum Bank is a socially responsible bank, I was sure that with their help the funds will be used according to the intended purpose.

They found out about the needs of the supported Mother and Child Care Centre. And in a run-up to the cold winter we bought 3 boxes of tinned stewed meat. I wanted to help and I'm happy I managed to do so".



## Volunteers in OHMATDYT



**Alexander Popov,**  
Head of the Business Clients Department.

### **Recovery is outright dependent on positive emotions.**

That's why organizing creative meetings with the kids which undergo long-term treatment is very important. This is also the way the employees of **Platinum Bank** help children in the Specialized Hospital for Children "OHMATDYT".

For me, every visit to OHMATDYT is a possibility to give a piece of your time, consideration and care to those, who really need it and who do not have, at the moment, a possibility to normally communicate with either parents or peers.

Little patients from the departments of paediatrics, endocrinology and the clinic for treating AIDS/HIV of OHMATDYT [have already attended<sup>61</sup>] the art-therapy sessions with the volunteers from the bank. The programme of such sessions

was prepared by the trainers of Platinum Bank together with the psychologists of the hospital.

[At the sessions, children and bank's employees<sup>62</sup>] make collages, do origami, appliques, etc. Curator-psychologists of OHMATDYT greatly appreciate the participation of bank's volunteers in the life of their little patients. According to them, children with chronic illnesses at hospitals need communication most of all. Due to these meetings children get in the good mood, and that really influences the recovery. And for many employees of Platinum Bank this was not only a brave step, but also an opportunity to discover some new qualities in oneself.

*"Our meetings with the kids from OHMATDYT – it's the call of both heart and soul. Although the hospital psychologists and trainers from the bank prepared us for this event, there was no certainty. Before the first trip there we were all very nervous. And when we arrived, for a few minutes we didn't know how we could be maximally "useful". But after we started communicating with children, everything got together. We understood, that out*



<sup>61</sup> In 2012 the action "Volunteers in OHMATDYT" took place for the 7th time. 33 employees took part.

<sup>62</sup> In 2012 during several hours children, together with our employees, were cutting out the snowflakes, fur-trees and made applications with New Year theme.

attention and care, smiles and optimism mean a lot for them. I'm eager to take part in such meetings next time as well", – Tatyana Uryupova, Leading Specialist of the Advertisement and Brand Development Department.

"It's been a long time since I got such a boost of positive emotions. I went there with the aim of giving the warmth of my heart and care, to show kids that they are not alone, that we need them, but ended up receiving so much more. I'm so inspired with the gratitude and response from their side.

I'm not even sure – did we give them or did they give us more? Must be the latter. It's so unfortunate that I don't have some sort of magic wand to wave it and make all children healthy!", – Tatyana Huni-sheva, Senior Specialist of the HR Department.

Mothers of children were very touched:

"Dear volunteers! We want to express our deepest gratitude to you for the emotional atmosphere, display of care and selfless devotion towards our children. Thank you for being you!"



## Responsible Bankers' Day

Ruslana Terletskaia,  
Head of the Salary Pay-  
ment Cards Department.

**Any professional holiday can be celebrated in a variety of ways.**

One can book a table at the restaurant, or set the tables at the office, or go on a picnic in the country. Plati-

I have been participating in this project for several years already and every time I wait for May anxiously, wait for the "Responsible Bankers' Day" at our bank. It is nice, that the bank not only cares about the improvement of the city and oblast, but also allows the employees of the bank to show initiative and to propose the organization, which needs help. For me, the "Responsible Banker's Day" is a project of good deeds of the bank's employees.



num Bank decided to make this a holiday for others, those who need help. On the [20th of May<sup>63</sup>], on the Ukrainian "Bankers' Day", the employees of the bank help the institutions, which are in need of repairs or territory improvement, painting of children's playgrounds, etc. (img. 2).



<sup>63</sup> In 2012 the employees of Platinum Bank organized 8 actions and contributed to the life conditions improvement of 300 people.



*Img. 2. Results of the "Responsible Bankers' Day"*

### RESULTS OF THE RESPONSIBLE BANKERS' DAY -2012:

217 employees spent 1 388 volunteering hours

**Pysanky-making class (Kyiv):** 11 employees painted windows, doors, walls.

**Kindergarten (Kyiv):** 17 employees laid the floor, painted and decorated three verandas, dug up the seedbed, painted the tyres, etc.

**CF Karitas (Kyiv):** 10 employees conducted creativity lessons for children from problem families and families with many children.

**Animal shelter (Gostomel):** 30 employees, cleaning, tools were left for the shelter as a gift.

**State Centre of Tourism and Local History, Geography and Culture for schoolchildren (Kyiv):** 14 employees collected and removed garbage (a truck of 5 tons capacity was full).

**Specialized sanatorium for children "Barvinok" (Boyarka, Kyiv oblast):** 89 employees cleaned the forest, mowed the grass, painted the children's playground, windows, doors on the floor (for 20 years there were no repairs), fixed the furniture. The grass-mower was presented to the sanatorium.

**Kindergarten (Kyiv):** 10 volunteers cleaned trees and bushes, dug up the seedbeds, planted over a hundred plants and made several decorations from natural materials.

**Lake Beloye (Kyiv):** 36 employees in 2 hours collected garbage and filled over 150 big garbage bags.





## Race for the child's life



**Victoria Stoletova,**  
Regional Director of the  
Branch-sales Department  
"Dneprovskiy 1"

**Our bank has been participating in the Kyiv charity race "Run Under the Chestnut Trees" for several years.**

In 2012, [435 members<sup>64</sup>] of our team, together with their friends and relatives ran the marathon. The youngest participant from the bank's team was only half a year old! As a result, the Centre of Cardiology and Cardio-surgery for Children received a cheque from the organizers for 160 000 UAH. There is a part in this aid, contributed by **Platinum Bank**.

In 2012 the employees of the bank for the first time took part in the regional races. [In four<sup>65</sup>] Ukrainian cities took place the social initiative of "Danone" company – "The race with hope at the heart". The aim of these races was to collect a sufficient sum of money for purchasing necessary equipment to treat children with heart (valvular) diseases in oblast hospitals for children. Unfortunately, Ukraine is №1 in Europe for the amount of infant heart diseases: 10-12 children out of 1 000 are born with this disease. Timely diagnosis of a heart disease helps to save children's lives. So far in Ukraine only very few medical institutions have

the equipment for timely discovery and prevention of this sort of disease. The bank became a partner of these charity races, and its [employees became<sup>66</sup>] the race participants.

I'm very happy to have had the opportunity to do something useful for my city. In Dnipropetrovsk almost a hundred of our employees took part in the race, together with their friends and relatives. Many came from other cities to support our team. That day we all ran not for the victory, but for our help to be real and useful for the children. In 2013 we will run again the distance of good and I'm sure that our team will be even bigger.

<sup>64</sup> Some of them came from other cities (Donetsk, Dnipropetrovsk, Bila Tserkva) specifically to take part in the marathon of good deeds.

<sup>65</sup> In 2012, the charity marathon was held in: Dnipropetrovsk (September 8), Kremenchug (September 22), Poltava (September 23), and Kherson (September 29).

<sup>66</sup> 180 regional employees of Platinum Bank took part in the races.



## Donorship



**Valeriy Cherkasov,**  
Head of the Cross-Sales  
Department.

**14th of June 2012**  
**was an international**  
**"Donor's Day".** Platinum  
Bank took part in the proj-  
ect "Donorship" for the  
second time. Our partner  
in this project was the  
Oblast Centre for Blood Transfusion.

*"Ukrainian hospitals are in constant need of donor blood. We are glad, that Platinum Bank joins the honourable mission of donorship for the second year in a row. Today is extremely important, that there should be such companies and people, who voluntarily and selflessly donate blood, helping medics to save lives. We hope, that the example of Platinum Bank, that implemented this initiative with the support of our Centre, will be followed by other companies", – Sergey Korotkorouchko, Director of Kyiv Oblast Blood Centre*

At 9 o'clock in the morning in our Head Office was organized the mobile point of blood donation. For that, **Platinum Bank** allocated a special room, which met all the requirements of the medics. [Within one day<sup>67</sup>] all volunteers passed the necessary procedures and check-ups, after which they donated blood.

This time we collected 33 litres of blood. 74 employees got an opportunity to become a donor. Half of them gave blood for the first time. Everyone, who gave blood, was rewarded by the bank management with the day off.

The project allows manifesting a moral responsibility towards the community, because in some cases you have to sacrifice a part of yourself in order to help someone. Blood can be needed by both little children and adults, during planned surgeries and in extreme cases. One blood donation, usually, helps to save two lives. Donating blood, we, probably, give someone a gift of second life. Due to the bank's initiative, I'm taking part in this good deed.

<sup>67</sup> At that all conditions were met: the employees were beforehand informed about the conditions for blood donation, medical workers prepared all necessary instruments, every employee underwent a special test, etc.











# PLATINUM BANK AND THE ENVIRONMENT

Since 2008 Platinum Bank has an active eco-policy "Go Green!". And since then, eco-friendliness became one of the principles of bank's operation.

The employees were inspired by the "green ideas" and implemented them into their work. For example, within six month [the employees<sup>52</sup>] proposed and realized over 8 projects on the reduction of paper consumption. About these bank's initiatives was shot a video with the participation of the employees themselves <http://www.youtube.com/watch?v=LkFESjtHyoE>. For the whole day the employees became the movie stars: undergoing make-up procedure, working on rehearsals of stories and shooting stories in several takes. It is nice to witness the feeling of proudness from the

employees of the bank due to the real, both big and small, success stories of their colleagues and the bank in the whole.

And there are real success stories. The bank constantly works on decreasing its environmental footprint in three directions.

**Frist direction – sustainable operational activities.** For the bank it means such operational activities, which minimize the impact on the environment. The employees are regularly informed about the necessity of saving and rationally using materials. Also, in 2012 Platinum Bank introduced [Electronic Document Management<sup>69</sup>], electronic database of legal entities and individuals, e-signature (img. 1).

Img. 1. Eco-initiatives of Platinum Bank

## Electronic Document Management

Allowed to considerably simplify the processing and archiving of big volumes of information, reduce searching time and the workload with the documentation.

## Account Portability Project

Created an e-database of all legal entities and individuals, both new clients and old. Due to this, clients can be served in any branch office of the bank irrespective of where they took a loan, which is very convenient in case of frequent travels or moving to another place of residence.

## [Electronic<sup>70</sup>] signature (e-signature)

Used for credit solutions, considerably increased the efficiency of departments' work having reduced by [70% the time for providing a loan<sup>71</sup>], decreased operational expenses, improved informational security, increased the speed of data interchange between the departments. For clients it means less time spent waiting for official processing and obtaining a loan.

[<sup>68</sup> 210 active employees ]

[<sup>69</sup> Bank's employees obtained the possibility to identify a bar-code on the scanned documents and check the credit cases of clients in the electronic database. Introduction of EDM allowed for the triple reduction of the searching time for credit cases and considerably quickened the processing of requests from other departments of the bank.

[<sup>70</sup> For seven months of the 73% of all credit decisions were signed with a digital signature.



### Second direction – “green” products and services, offered by the bank.

In 2012 **Platinum Bank** worked on making its services more accessible. For example, clients can open a deposit in one branch office of the bank and replenish it in another one – closer to their home. As such, the bank saves not only the time of its clients, but also reduces time they would otherwise spend on travel. And what about the CO2 emission, which would take place if the client had to get back to the branch office, where he or she made a deposit, in order to close it or to replenish? Moreover, now you can manage your funds remotely. In 2012 the internet bank **Platinum Click** was launched. So now clients can review their accounts, transfer funds, open deposits and repay loans 24/7. This service ensures the access of bank's clients to quality services all over the territory of Ukraine. And even now the internet bank has already obtained the recognition of clients. According to the readers of “Investgazeta”, **Platinum Bank** has entered [TOP-5<sup>72</sup>] of the most electronic banks of Ukraine. And its Chief IT Officer, Sergey Popov, be-

came a winner of the competition “BEST CIO 2012” in the nomination of “Small and mid-size banks” (publication “Kompyuternoe Obozrenie [Computer Review]”).

*“As of now, my pride and joy is the IT-team of Platinum Bank, which is a strong side of the bank. Today we can say that the tasks, which business had put in front of us for 2012, we have successfully fulfilled and our team has demonstrated a high “triple” reliability and efficiency”, – Sergey Popov, Chief IT Officer.*

### Third direction – promotion of eco-culture, creating an atmosphere of general participation in the protection of the environment.

One bank cannot change everything. But it can work with employees, clients, partners, changing their attitude. For example, within the framework of the “Responsible Bankers' Day” about 200 employees of **Platinum Bank** worked with non-commercial partners, helping them in cleaning the territory, doing repairs and painting premises (img. 2).

#### Img. 2. Eco-initiatives of the “Responsible Bankers' Day”

State Centre of Tourism and Local History, Geography and Culture for schoolchildren (Kyiv)  
After 2 hours, a truck for 5 tons was full with garbage.

Lake Belye (Kyiv)  
In 2 hours, over 150 big garbage bags were filled.

[Specialized sanatorium for children “Barvinok”<sup>73</sup>]  
(Boyarka, Kyiv oblast)

Cleaned the territory, painted the children's playground, walls, windows, doors in the rooms and in the corridors on one of the floors, fixed the furniture. Out of 2 grass mowers, one was presented to the sanatorium.

Kindergarten (Kyiv)  
Cleaned trees and bushes from garbage, dug up several seedbeds, planted over 100 plants and made several decorations from natural materials.

<sup>71</sup> In only 1 month – August 2012 – the bank saved 35 000 sheets of paper.

<sup>72</sup> Readers voted for the best e-bank among 30 banks with internet banking services provided for individuals according to the key criteria.



<sup>73</sup> No repairs in 20 years!

The bank's employees were so inspired by the "green ideas" at work, that they try to reduce the consumption of water, electricity and eco-harmful substances in their own homes.



**Svetlana Arkhipova,**  
Leading Analyst of the  
Marketing Department.

*"For several years in our bank has been actively implemented and developed the direction "Go Green". Each of us says a phrase "We support 'Go Green!'" at least once a day. And we*

*do that not only at work, but at home as well. Here is, for example, what I do at home:*

**1. Stopped using chlorine and phosphate-based detergents completely. They are harmful not only for the one, who's doing the cleaning, but also for those, who later inhale the remains of these detergents from the surfaces.**

**2. Replaced in the toilet the aerosol air fresheners with aroma-oils, which are both more healthy and cheaper.**

**3. Soda – is a great cleaning aid, which doesn't corrode the surfaces of things (sink, bath, etc.), and, at that, does very well in fighting dirt without harmful impact on the environment.**

**4. In the kitchen I replaced gel detergents with mustard powder. It removes the grease and dirt perfectly and doesn't remain on the dishes.**

*There are many other different ways to follow in "Go Green" direction. Anyone can do that in their own home and try to decrease their environmental footprint".*

Also, the bank tries to involve in such initiatives its "neighbours" in the business centre, where the Head Office of the bank is situated. For example, the project of bank's employees regarding the collection of paper for recycling is now supported not only by the Platinum Bank team, but also by the employees of other companies, offices of which are located in the business centre "Horizon Park". Such companies, as 3M, Cicklum, Life, Mertonopolis, American Chamber of Commerce gladly supported the eco-initiative of Platinum Bank. All the paper for recycling is submitted for producing secondary raw materials. In three such joint collections, together with partners, the bank saved 100 trees. Now centralized collection of paper for recycling is done in the Head Office every quarter, and in future the bank plans to install a big container for collecting used paper from all the residents of the business centre "Horizon Park".

These attempts of Platinum Bank to involve other people not only help to realize the "green" efforts of the bank, but also make a significant contribution into the preservation of the planet, as it changes the behaviour of partners. And they, in their own turn, have partners, whom they will influence as well. The bank hopes, that this chain of eco-kindness will reach everyone. [The theory of six handshakes<sup>74</sup>] has proven its efficiency.



<sup>74</sup> Theory, according to which any two people on Earth are only five handshakes away from each other (five mutual acquaintances).



## Reduce, recycle and reuse

**Have you heard of the “3R”-rule?** “Reduce, recycle, reuse”. Platinum Bank uses this approach in its everyday operation. The bank strives to decrease its environmental footprint, recycle waste and even reuse some materials.

*“These measures are more expensive for the bank, as eco-friendly office stationery costs much more than the usual one. Platinum Bank takes this socially responsible step as a sign of its profound commitment to the principles of “Go Green” and understanding of the importance of neutralizing one’s environmental footprint”, – Yurii Beliak, Head of General Procurement Support.*

**Printers:** in the bank all printers work in the regime of “toner economy”. This helps to prolong the service life of the cartridge. It also helps to reduce the price of printing one page. Often the employees use “draft” regime in order to reduce the toner consumption.

**Collection of paper and plastic: active employees of the bank collected** 3 460 kg of paper and 450 kg of plastic, which were submitted for recycling.

**Videoconferences:** the employees of the bank held [59 videoconferences<sup>75</sup>] between the Head Office and regions. This helped the bank to save 15 000 UAH.

**Sensor lamps:** One more way to decrease one’s environmental footprint – installing sensor

lamps in the Head Office of Platinum Bank. In the summer of 2012, in the Head Office of the bank were installed sensor switchers of light. Now the bank saves even more electricity.

**Recycled stationery and eco-detergents.** In all offices of Platinum Bank is used the paper recycled from [secondary raw materials<sup>76</sup>]. Besides, the employees use markers, pencils and other office stationery made from the wood processing industry recycled waste. Special attention is also paid to the choice of [eco-friendly<sup>77</sup>] detergents. Garbage bags and tissues are bought basing on the criterion “decomposition time of the materials is no more than 6 months”. Using eco-detergents is important not only for environment, but first and foremost – for the health and well-being of the employees.

**Used batteries.** In 2012 the bank installed special boxes for collecting used batteries in the Head Office of the bank, in the branches of Kyiv and Lviv. The employees started bringing used batteries from their homes, from their friends’ homes as well. Bank’s clients also could hand in used batteries. All efforts united, over 35 kg of different batteries were collected and submitted for recycling.

**Centralized collection of paper:** Platinum Bank has been practicing the paper collection for recycling for quite some time and it engages its employees in the process as well. The employees

[<sup>75</sup> 168 man-hours ]

[<sup>76</sup> Chlorine is not used for whitening such paper ]

[<sup>77</sup> without harmful substances in them ]





are eager to save more trees. [That is why the amounts of collected paper are constantly growing<sup>78</sup>]. In March 2012 the bank joined an eco-social project "Green Publishing House". The project was initiated by the holding ["Evolution Media"<sup>79</sup>] – the bank's partner. In the Head Office and in Kyiv

branches appeared new containers for collecting paper. The amount of collected paper is a good indicator for the inner competing of departments. In a year the employees collected 1 849 kg of paper.



## Paper in the life of the bank

**The amount of paper used for signing agreements and contracts is huge.** The bank decided to reduce the amount of paper, used in the daily operations of the bank. Certain rules for paper usage were introduced.

Now the employees know that:

- sending an e-mail to the colleague is a better idea than printing information out and showing it to the colleague;
- printing must be done on both sides of the sheet of paper;
- line and paragraph spacing must not exceed 1;
- printing out unnecessary copies is prohibited;
- for drafts, copies and faxes you can re-use paper (use the other side of the paper that already has something printed on one side).

The IT department has a special programme, which allows tracking how many pages of paper were used by each employee. As such, [every month<sup>80</sup>] the IT-department sends an e-mail to the Heads of Departments. In these e-mails they state the amount of paper used by each em-

ployee. The aim of the e-mail is to decrease the amount of printed out pages by conscientious employees. With those employees, who use the biggest amount of paper we conduct personal conversations. Also, the ratings of employees can be observed at the inner bank's portal "My Platinum".

As a result, the employees of the bank saved about [57 000 sheets of paper<sup>81</sup>].

The principle of two-sided printing is also introduced into the agreements with partners and contractors. The bank is sure, that "green" principles of the bank can inspire other companies as well to save paper and not to waste it.

<sup>78</sup> For example, in July 2012 the bank gathered 120 kg of paper for recycling, in October 2012 – already 500 kg.

<sup>79</sup> "Evolution Media" – are the publications "Commentarii (Comments)", Kyiv Weekly, as well as sites: comments.ua, umgk.info, pnt.ua.

<sup>80</sup> This practice was introduced in 2012 and it already has substantial effect.

<sup>81</sup> In the monetary equivalent, the bank saved 26 695 UAH.





ПРЕДАВАНИЕ  
ИДЕИ  
В течение  
последних 20 лет

ЧЕСТНОСТЬ  
Платина сотрудничает  
только с надежными  
партнерами

НАДЕЖНОСТЬ  
Бизнес-операции  
Платины

ИННОВАЦИОННОСТЬ  
Платина использует  
лучшие технологии  
в своем бизнесе

КОММУНИКАбельНОСТЬ  
Платина открыта  
для диалога с клиентами  
и партнерами

Pt Platinum Bank



# REALIZATION OF PLATINUM BANK'S PLANS FOR 2012

Plans for 2012	Conducted activities	Results
1. Integrating "Platinum Standards" in the daily activities of the bank.	Conducted the second quiz on the employees' knowledge of the rules.	Prompt correction of integration zones of "Platinum Standards".
2. Increasing the level of interaction between departments and decreasing negative impact on the environment.	Introduced electronic document management and e-signature.	Reducing operational expenses and environmental footprint.
3. Decreasing negative influence on the environment.	Activated the process of transferring to recycled paper for all bank's departments, changed the procurement rules for purchasing stationery, having included goods with the Eco-Friendly label.	Considerable decrease of negative impact on the environment.
4. Improving the factor "Career Development".	Elaborated and implemented the training "Platinum Manager. Module 1. Planning."	Facilitating personal and professional growth of the employees.
5. Improving the quality of client servicing.	Elaborated and implemented online polls of clients with the aim of operative monitoring of the quality of banking service.	Prompt correction of development zones in our servicing of the clients.
6. Involving employees in the charitable support from the bank.	Conducted an online poll for discovering institutions, for which the bank's support was provided.	Increasing the level of employee involvement.
7. Developing the programme "Platinum Posidelki [Platinum Parties]".	Elaborated a new lesson: "Personal budget".	Involving the new age group of children – 14-16 and preparing them for adult life in the world of finance.
8. Developing the programme "Education of the Highest Level".	Conducted the All-Ukraine Contest for schools and boarding schools.	Helping in computerizing schools in the regions, located far from the centre.





## Platinum Bank's compliance to the UN Global Compact

Sphere	Principles of the UN Global Compact	Pages
Human rights	<b>Principle 1:</b> Business community should support and respect the protection of internationally proclaimed human rights.	64-67
	<b>Principle 2:</b> Business community should make sure that they are not complicit in human rights abuses.	
Employment relationships	<b>Principle 3:</b> Business community should uphold the freedom of association and the effective recognition of the right to collective bargaining.	67-68
	<b>Principle 4:</b> Business community should uphold the elimination of all forms of forced and compulsory labour.	
	<b>Principle 5:</b> Business community should uphold the effective abolition of child labour.	
	<b>Principle 6:</b> Business community should uphold the elimination of discrimination in respect of employment and occupation.	
Environment	<b>Principle 7:</b> Business community should support a precautionary approach to environmental challenges.	50-54
	<b>Principle 8:</b> Business community should undertake initiatives to promote greater environmental responsibility.	
	<b>Principle 9:</b> Business community should encourage the development and diffusion of environmentally friendly technologies.	
Counter-corruption activities	<b>Principle 10:</b> Business community should work against corruption in all its forms, including extortion and bribery.	10-12, 32-38







# PLANS FOR 2013

Essential issues	Plans for 2013	Expected Results for 2013
<b>Corporate Management Standards</b>	Bonus of the management incentive relate not only to financial, but also non-financial performance. The indicators included in the annual KPI of Each top manager.	Expected Results: Enter in the Top 5 CSR responsible company tions (according to the "GVardiya").
<b>Employees</b>	Increasing the level of employee involvement.	In 2013 the research will become annual with the usage of the methodology by "Ernst&Young". We aim at reaching no less than 69% of involvement and showing the highest level of employee involvement among Ukrainian banks.
	Managers receive feedback from subordinates regarding their compliance with the corporate culture of the bank.	Evaluation is conducted via the anonymous provision of feedback from direct subordinates to the managers of all levels (about 300 managers). Expected level of compliance – no less than 84%.
<b>Environment</b>	Developing the project on collecting the paper for recycling.	Conducting no less than 3 centralized collections of paper for recycling and involving the neighbouring companies in the project.
	Introducing centralized collection of used batteries.	Installing boxes for used batteries in all branch offices and in the Head Office.
<b>Community</b>	Developing CSR projects in the regions.	Realizing regional projects "Responsible Banker's Day", "Bookcrossing", "Verdurization of Hospitals".
	Developing the project "Platinum Posidelki".	Elaboration of 1 new lesson for the senior age group of children. Conducting in 2013 meetings for no less than 10 000 children.
	Increasing the quantity of men-hours spent for corporate volunteering.	No less than 4 500 men-hours.





## ABOUT THE REPORT

**Every year, for the last three years, Platinum Bank fulfils its obligations according to the UN Global Compact.** The bank provides

a report regarding the realization of the 10 principles of Global Compact in its activities. In the time period from April to September the work at the bank is in full swing: non-stop flow of requests to different departments and branch offices about the achievements of the bank, its implemented projects, the impact of such projects on the life of the bank and the community. Six months of working on a report, involving many employees, preparing and re-writing of chapters. What is all this work for? For the bank's shareholders to know what it is that the bank is doing now and what it is planning on doing in future. And for them, as they learn about it all, to be able to advise the bank regarding the improvement of some projects or regarding the issues, which require more attention. If you have any ideas or comments – please, write. The bank will consider all suggestions and answer all questions.

The third report of the bank is named **“Platinum Bank for the Society: Small Stories of the Great Success”<sup>82</sup>**. It has combined the stories from the bank's life, stories of its employees and clients. This bank's report, as well as the report for 2011, is done in accordance with the GRI guidelines (version G3), “B” level of implementation. It is worth mentioning, that the bank's report for 2011 won the second prize at the Contest of Non-financial Reports “Readers' Choice Award”, according to

the experts. The Contest is held annually by the Centre “CSR Development”.

In the bank's report of 2012 are disclosed the essential (important) issues, which demonstrate bank's contribution to the sustainable development of Ukraine. The bank still pays special attention to the development of corporate culture on the basis of **“Platinum Standards”** and **Policies of the bank**, as well as to the progress of the employees. The bank is implementing programmes on financial literacy for children, improving their knowledge about money. **Platinum Bank** pays a lot of attention to strengthening the trusting relationship with the clients. And in the foundation of these initiatives and programmes of the bank is the unique involvement level of the bank's employees.

The report **“Platinum Bank for the Society: Small Stories of the Great Success”** covers the indicators of operating activities of all branch offices of the bank in Ukraine<sup>83</sup>. Financial indicators of **Platinum Bank** are in more detail presented in the Annual Report of the Bank - 2012. Full characteristics of the bank's activities can be found here: <http://www.platinumbank.com.ua> Also, the bank didn't report on several indicators as they are not applicable to the activities of the organization in the sphere of banking. All the indicators disclosed by the bank fully or partially, can be found in the Table of Report Indicator Correspondence to the GRI Guidelines.

<sup>82</sup> Report for 2010 “Business with a Human Face” and the report for 2011 “2011: a Road to Sustainable Future” can be found on the web-site of the bank <http://www.platinumbank.com.ua/view.creports/>.

<sup>83</sup> This indicator on salary for 2012 is incomparable with the indicator for 2011. In 2011 it was calculated according to the salary with taxes. In 2012 the calculation was done on the basis of salary after tax deduction.



The report by **Platinum Bank** for 2012 is done on the basis of principles of non-financial reporting:

- **Essentiality (importance) of the provided information:** the bank pays attention to the most important activities of the reported period.

- **Focus on the interests of stakeholders:** the report describes the relationships with stakeholders and issues, which are important to them in their cooperation with the bank.

- **Sustainable development context:** the bank, in its report on sustainable development pays attention to the importance of the programmes and projects of the bank and their impact on the economic, social and environmental spheres with the aim of sustainable development of the community.

- **Credibility of the information provided:** the information, provided in this report, was verified by the bank's employees and the Inner Audit Department; all data can be supported by the documentation.

- **Impartiality of the information:** all of the provided information reflects real situation and activities of the bank, all the events described took place in 2012.

- **Completeness of information:** the report describes all important events in the activities of the bank, which took place in 2012.

- **Measurement precision of the source data and provided indicators:** information is provided on the basis of physical, labour, monetary methods of measurement; calculation techniques for data in relation to the indicators of previous years (2010 and 2011), in most of the indicators, remained unchanged.

- **Accuracy and clarity of text narration:** bank's activities in the reported year of 2012 is described in the form that is understandable to the reader, without complex definitions and terms.

- **Accessibility of the report's information:** the document is done in three languages (Ukrainian, Russian, English), with all three versions downloadable from the bank's site: a small number of report copies was published.

- **Balance of the material:** information is provided in the report in a well-balanced manner and includes both positive and not so positive tendencies. The bank is sure that this is the only way to improve its operation.

The bank plans to report on its activities annually further on.





Pt Platinum Bank

Исполнение  
Ваших  
желаний -  
наша  
работа!







# TABLE OF INDICATORS

GRI indicator	Description of indicator	Page in the report	Disclosure level of the indicator
1.1	Statement of the highest position decision-maker of the organization regarding the importance of sustainable development for the organization	4	disclosed
1.2	Characteristics of key impacts, risks and opportunities	6	disclosed
<b>Organization's characteristics</b>			
2.1	Name of the organization	The bank operates in accordance with the License of the National Bank of Ukraine # 217 of 20 October 2011	disclosed
2.2	Primary brands, products, and/or services	13	disclosed
2.3	Operational structure of the organization	10	disclosed
2.4	Location of organization's headquarters	2	disclosed
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	2	The bank operates only on the territory of Ukraine
2.6	Nature of ownership and legal form	7, 11	disclosed
2.7	Markets served	2	disclosed
2.8	Scale of the reporting organization	2, 7	disclosed
2.9	Significant changes during the reporting period regarding size, structure, or ownership including	56, 59 No changes	disclosed
2.10	Awards received in the reporting period	6	disclosed
<b>Report Parameters</b>			
3.1	Reporting period for information provided	59	disclosed
3.2	Date of most recent previous report	59	disclosed



3.3	Reporting cycle	59	disclosed
3.4	Contact point for questions regarding the report or its contents	79	disclosed
3.5	Process for defining report content	20-21, 59	disclosed
3.6	Boundary of the report	59	disclosed
3.7	Specific limitations on the scope or boundary of the report	No limitations	disclosed
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations	No other entities	disclosed
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	59	disclosed
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement	without substantial alteration	disclosed
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	without substantial alteration	disclosed
3.12	Table identifying the location of the Standard Disclosures in the report	62-69	disclosed
3.13.	Policy and current practice with regard to seeking external assurance for the report	No assurance report is enclosed. Information in the report is proved by the meeting with stakeholders	disclosed
<b>Interaction with stakeholders</b>			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	10-12	disclosed
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	11	disclosed



4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	No independent and/or non-executive members	disclosed
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	10-12	disclosed
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives and the organization's performance	Awards and bonuses, 58	disclosed
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	10-12	disclosed
4.7.	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	8-12	disclosed
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation	8-10	disclosed
4.9.	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	8-10	disclosed
4.10.	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	10, 56	disclosed
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	8-10	disclosed
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	7	disclosed
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations	7, 34, 37	disclosed



4.14	List of stakeholder groups engaged by the organization	19	disclosed
4.15	Basis for identification and selection of stakeholders with whom to engage	19	disclosed
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	19-20	disclosed
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	21-22	disclosed
EC	Management approaches to economic performance	6	disclosed
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to	7, 8	disclosed
EC4	Capital providers and governments	In 2012 the bank didn't receive any financial assistance from the government	disclosed
EC5	Significant financial assistance received from government	30, 73-74	disclosed partially
EC6	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	The bank doesn't have a policy in accordance to which it would give preference for either local or foreign partners in such procedures. But in practice the majority of supplier companies are registered in Ukraine.	disclosed





EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation	27	disclosed
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement	8	disclosed
EN	Management approaches to environmental performance	50	disclosed
EN1	Materials used by weight or volume	53-54	disclosed
EN7	Initiatives to reduce indirect energy consumption and reductions achieved	53	disclosed partially
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	50	disclosed
LA	Management approaches to labour practices	24-25	disclosed
LA1	Total workforce by employment type, employment contract, and region	24, 71	disclosed
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	24	disclosed partially
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	30-31	disclosed
LA4	Percentage of employees covered by collective bargaining agreements	100%	disclosed
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements	2 months (stipulated in the Collective Agreement)	disclosed
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender	No such incidents in the reported period	disclosed



LA8	Education, training, counselling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases	28-29	disclosed
LA10	Average hours of training per year per employee by gender, and by employee category	29	disclosed partially
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	28, 74	disclosed
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	71	disclosed
HR	Management approaches to human rights	25	disclosed
HR4	Total number of incidents of discrimination and corrective actions taken	No incidents of discrimination in the reported period	disclosed
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	No incidents of the freedom of association and collective bargaining were at risk	disclosed
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	The bank doesn't use child labour in its operational activities	disclosed
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	The bank doesn't use forced or compulsory labour in its operational activities	disclosed
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	No incidents of violations involving rights of indigenous people	disclosed
SO	Management approaches to interaction with the community	32	disclosed



SO4	Actions taken in response to incidents of corruption	32-36	disclosed
SO5	Public policy positions and participation in public policy development and lobbying	36	disclosed
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	The bank doesn't support political parties	disclosed
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	No incidents of legal actions for anticompetitive behavior	disclosed
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	Таких случаев не было	disclosed
PR	Management approaches to product responsibility	12	disclosed
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	14-17	disclosed
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	38	disclosed
FS	Management approaches in the sector of financial services	12	disclosed
FS1	Policies with specific environmental and social components applied to business lines	40, 50	disclosed
FS16	Initiatives to enhance financial literacy, by the type of their beneficiaries	40-43	disclosed
FS14	Initiatives to improve access to financial services for disadvantaged people	27, 40	disclosed









# TERMS AND ABBREVIATIONS

**BB** – business banking.

**Board member** – a voting member of the Board.

**Board Observer** – a non-voting member of the Board.

**Cash-in ATMs** – ATMs with a function of receiving cash funds.

**Collection** – management, which is engaged in measures for early repayment of a debt, but not implying personal meetings with the debtor collector.

**Compliance department** – a special department in the company, which ensures the establishment and functioning of the Compliance-control system and provides for the coordination of actions related to the changes in regulatory requirements, evaluation of compliance risks, deals with compliance incidents, as well as coordinated actions, concerning any relations with the Regulators.

**Coach** – educating trainer.

**CSR** – Corporate Social Responsibility.

**Electronic Document Management** – automated document management processes, related to various kinds of processing e-documents.

**GDP** – gross domestic product.

**GRI** – Global Reporting Initiative.

**Insider** – a member of the group, who possesses information, which only this group has.

**ISFR** – International Standards of Financial Reporting.

**LLP** – Long Lost Provision.

**Middle Manager** – manager of a middle rank.

**NBU** – National Bank of Ukraine.

**Platinum Branch** – channel of sale, classic bank branch offices, located in the cities with the population of over 1 Mio.

**Platinum Express** – mobile points of loan sale.

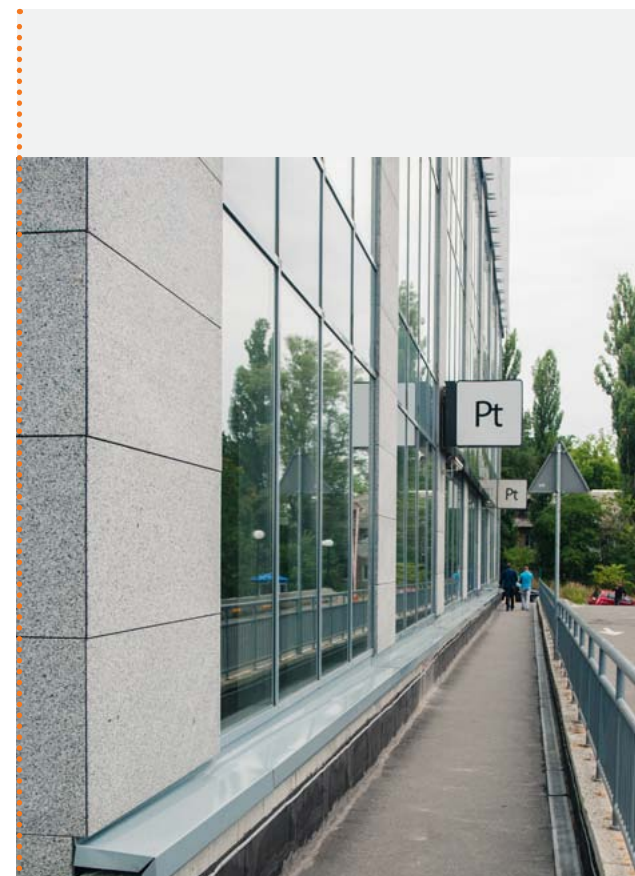
**Points of sale** – points of loan sale.

**Report on sustainable development** – document, containing the results of company's activities in social, environmental and ethical spheres for the certain period of time.

**Scoring** – system for evaluating the creditworthiness (credit risks) of a person, based on quantitative statistical methods.

**Stakeholders** – groups or individuals, who can influence on or who are influenced by the achievement of organizational targets.

**SME** – Small and medium enterprises (businesses).





## ANNEXES

### Proportion of men and women in Platinum Bank

#### Proportion of men and women in Platinum Bank

	Men	Women
Senior	7 (0.3%)	2 (0.08%)
Middle	137 (19.4%)	249 (6.5%)
Staff	559 (80.3%)	3 572 (93.5%)

#### Ratio of women's salary to men's salary in Platinum Bank

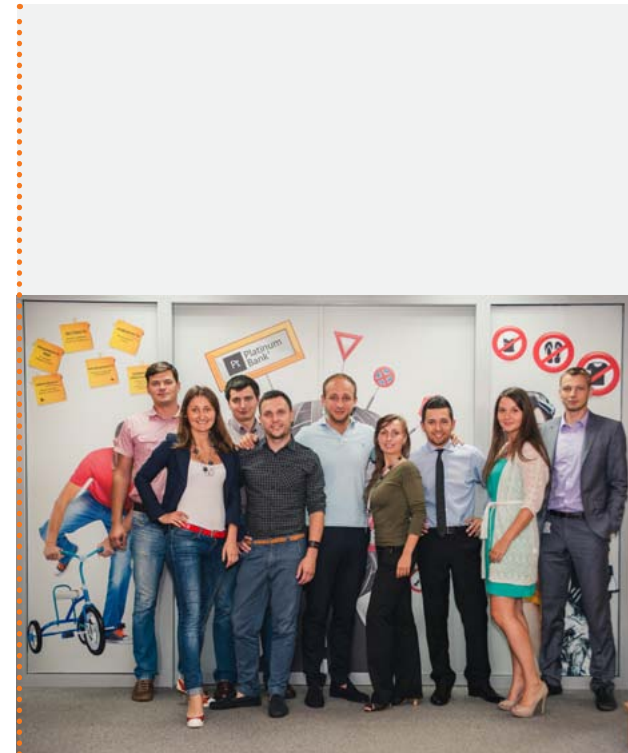
Senior + Middle	Staff
78%	66%

#### Education of Platinum Bank employees

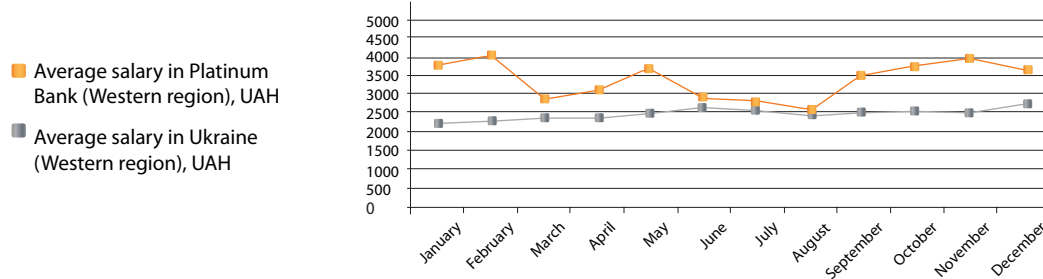
	Higher	Basic higher	Vocational secondary education	Secondary education	Total%
Senior	9 (100%)	0	0	0	100%
Middle	360 (93.3%)	11 (2.8%)	15 (3.9%)	0	100%
Staff	2 473 (59.9%)	579 (14%)	885 (21.4%)	194 (4.7%)	100%

#### Age categories of Platinum Bank employees

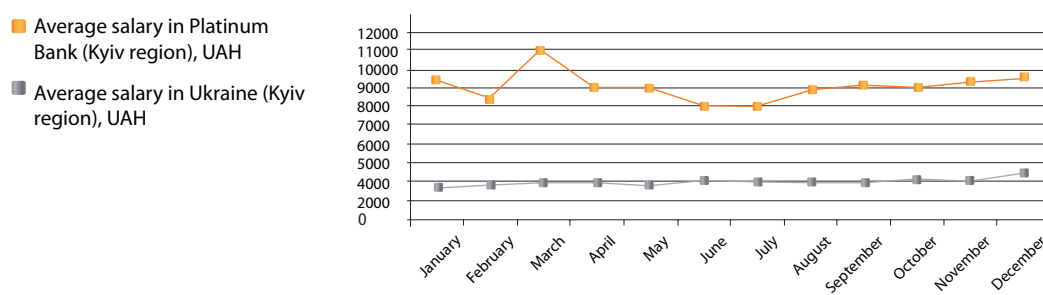
	< 30	31-50	> 51	Total%
Senior	0	8 (89%)	1 (11%)	100%
Middle	172 (44.6%)	206 (53.4%)	8 (2%)	100%
Staff	3 454 (83.6%)	539 (13%)	138 (3.4%)	100%



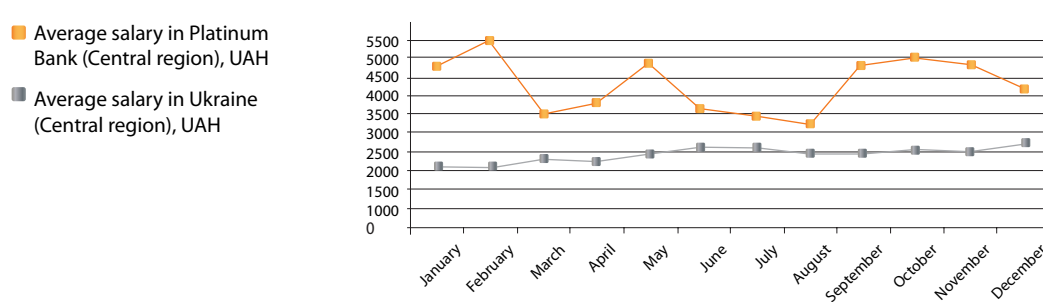
Correlation of average salary in Ukraine and in Platinum Bankin the Western region for 2012



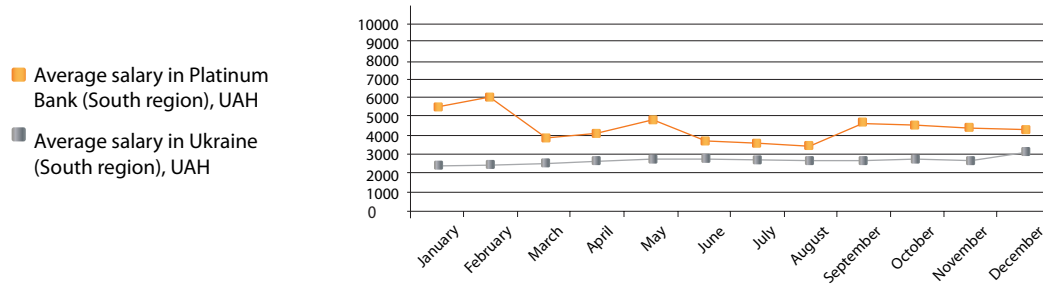
Correlation of average salary in Ukraine and in Platinum Bankin the Kyiv region for 2012



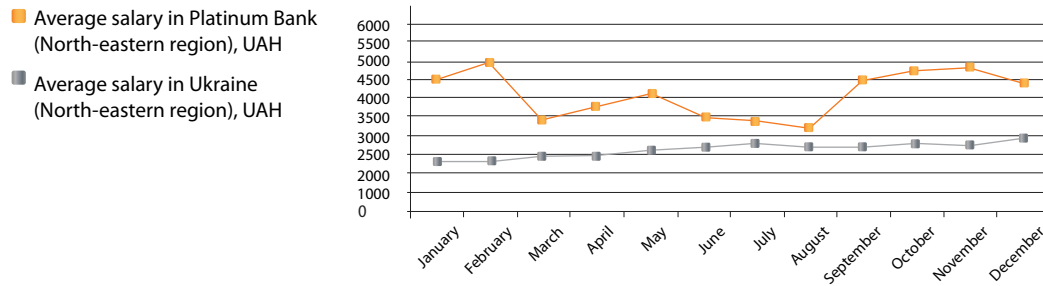
Correlation of average salary in Ukraine and in Platinum Bankin the Central region for 2012



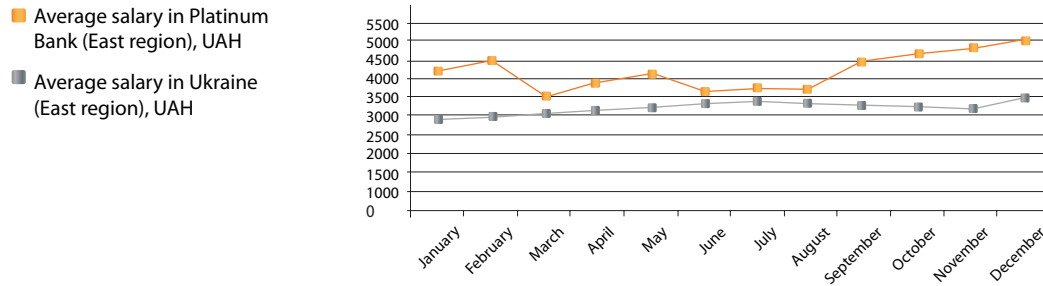
Correlation of average salary in Ukraine and in Platinum Bank in the South region for 2012



Correlation of average salary in Ukraine and in Platinum Bank in the North-eastern region for 2012



Correlation of average salary in Ukraine and in Platinum Bank in the East region for 2012





## Programmes of employee recognition

**One of the main competitions, which takes place for the second year in a row, is the League of Masters.** The League of Masters – is a corporate recognition programme for regional Sale Departments' employees of all levels, which has 12 nominations.

### Programme's goals:

- Stimulating the personnel in sales to achieving outstanding results via just evaluation and recognition of their services rendered to the company.
- Supporting healthy competitive spirit between employees.

The programme covers 72% of all employees, notably: 3 Sales Departments (total of 3,247 people in 2012):

1. Department of "Branch"-sales (strength by the end of 2012 – 680 people);
2. Department of "Express"-sales (strength by the end of 2012 – 2,532 people);
3. Department of Business Clients Sales (strength – 35 people).

Becoming a member of the League of Masters means high recognition, as these employees are the best in their field, role models for everyone else.

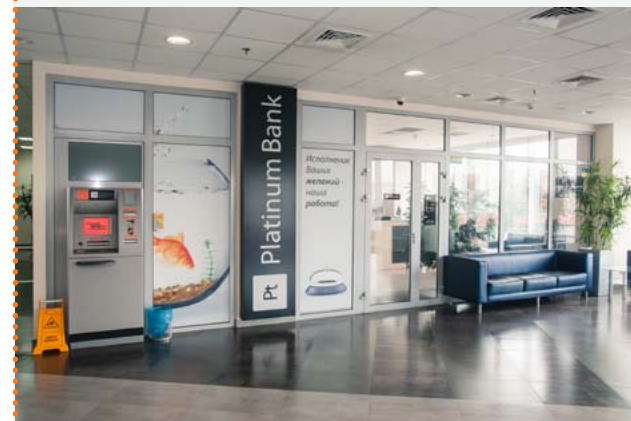
The winners are those, who get the highest indicators in sales and portfolio integrity (i.e., credit risks). During the evaluation, such indicators as service quality and results of professional testing are taken into consideration as well. 2012 saw 317 winners (10% of all participants, many won several times), out of which:

- Winners-2012 in "Express": 191.
- Winners-2012 in "Branch": 117.
- Winners-2012 in Business: 9.



## Winner schools of "Education of the Highest Level" competition in 2012

1. Zaporizhzhya multisectoral lyceum №99 (Zaporizhzhya).
2. Chernivtsi specialized school ORT №41 with profound study of Jewish ethno-cultural component (Chernivtsi).
3. Konotop specialized school of the I-III level №3. (Konotop, Sumy oblast).
4. EC "Vsesvit" (Matveevka, Zaporizhzhya oblast).
5. EC "School-gymnasium" №3 (Armyansk, the AR of Crimea).
6. Melitopol EC №16 "Kindergarten-school-HEI" (Melitopol, Zaporizhzhya oblast).
7. CI "Zaporizkiy Sechevyy boarding school-collegium" (Zaporizhzhya, Zaporizhzhya oblast)
8. Terebovlya gymnasium-specialized-boarding-school (Terebovlya, Ternopil oblast).
9. Kazatske educational complex "Comprehensive school of I-III level — pre-school educational institution" (Kazatske, Sumy oblast).
10. Khortytsya national educational-rehabilitating multisectoral centre (Zaporizhzhya, Zaporizhzhya oblast).
11. Fontanka comprehensive school of social rehabilitation (Fontanka, Odessa oblast).
12. Volodymyr-Volynskiy specialized boarding school (Volodymyr-Volynskiy, Volyn oblast).



## Institutions, supported by the bank

In two years of implementing social programmes Platinum Bank provided substantial support to 51 institutions (Table 10)

**Table 10.** Social support from Platinum Bank to community, 2011-2012

Orphanages and Mother and Child Care Centres (traditional actions) in:	Opened computer classes in:
Kyiv oblast	Zaporizhzhya oblast
Kharkiv oblast	Odessa oblast
AR of Crimea	Cherkassy oblast
Donetsk oblast	Kirovograd oblast
Zaporizhzhya oblast	Ternopil oblast
Dnipropetrovsk oblast	Lviv oblast
Cherkassy oblast	Kharkiv oblast
Chernigiv oblast	Dnipropetrovsk oblast
Kherson oblast	Donetsk oblast
Luhansk oblast	AR of Crimea
	Nikolayev oblast
Total 15	Total 25





## FEEDBACK QUESTIONNAIRE

**Platinum Bank – is a dynamically developing responsible bank.** Your opinion of this report and of the initiatives we realize within our CSR strategy is very important and valuable for us.

We are eager to receive your feedback and recommendations via fax, (please, address to Elena Shcherbina): (044) 288 40 77 or via e-mail: [pr@platinumbank.com.ua](mailto:pr@platinumbank.com.ua)

### 1. General impression of the report. Choose from 1 to 5, where 5 is the highest mark.

1. ☐
2. ☐
3. ☐
4. ☐
5. ☐

### 2. How well does the report comply with the principles of informativeness and usefulness? Choose from 1 to 5, where 5 is the highest mark.

1. ☐
2. ☐
3. ☐
4. ☐
5. ☐





### 3. What should be changed and improved in the social report in future?

- More quantitative indicators ☐
- More illustrations and photo-proofs ☐
- More attention should be paid to the stylistic execution ☐
- More attention should be paid to a certain part (specify which) \_\_\_\_\_
- More attention should be paid to achievements and non-financial indicators ☐

### 4. Your recommendations regarding the improvement of the company's activities in the sphere of corporate social responsibility

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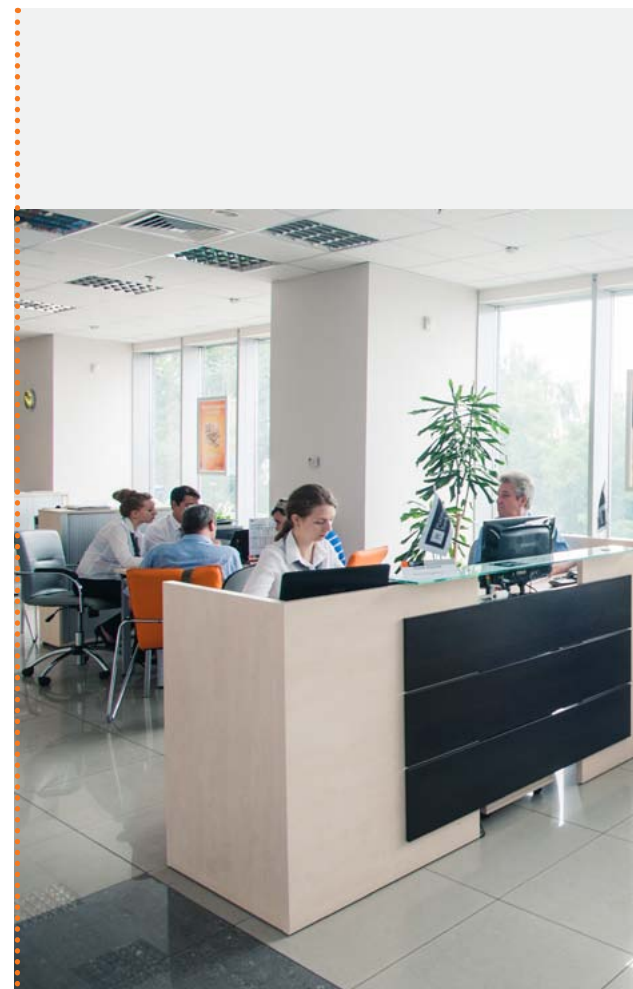
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### 5. Specify, please, to which group you belong:

- our client ☐
- other bank's client ☐
- investor ☐
- our employee ☐
- CSR specialist ☐
- company representative ☐
- representative of the state authorities ☐
- representative of the state regulatory bodies ☐
- representative of mass media ☐
- representative of a public organization ☐
- other (specify) \_\_\_\_\_





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**We are eager to receive your feedback  
and recommendations, please,  
address to**

Elena Shcherbina,  
Head of Sustainable Development

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