

**Report on the progress of**

**FIRST UKRAINIAN INTERNATIONAL  
BANK  
JOINS STOCK COMPANY**

**for 2021-2022**



Працюємо  
для Вас

**To the Executive Director  
of the United Nations Global Compact  
Ms. Sanda Ojiambo  
10017, New York  
USA**

Dear Ms. Ojiambo,

By joining the United Nations Global Compact in April 2013, FIRST UKRAINIAN INTERNATIONAL BANK JOINT STOCK COMPANY (FUIB) declared its commitment to 10 UN Global Compact principles in the field of human rights, labor relations, environmental protection and combating corruption, and started to implement the principles of sustainable development into its daily activities.

FUIB has been publishing the Progress Report for all interested parties since 2015. 2021 was a year of anniversary and success for the bank. We celebrated FUIB's significant achievements for over 30 years of operation along with the 30th anniversary of Ukraine's independence. The bank's team demonstrated growth in all areas of business and its efficiency, in attracting new customers and introducing innovations. FUIB paid great attention to improving the experience of interaction with the bank for clients and employees. It actively introduced new opportunities for remote client service and remote work of employees. The bank also strengthened its position in the implementation of socially significant projects.

For more than 30 years, FUIB has been doing business responsibly, investing in the harmonious development of the financial institution - realizing business opportunities, obtaining high financial results and strengthening positive social impact. In 2021 and 2022, our investments in modernization amounted to UAH 496 and 473 million, respectively. In 2021, social investments aimed at improving employee safety and development, improving the quality of the bank's products and services, developing the business environment and increasing financial literacy of Ukrainians amounted to over UAH 84 million.

2022 was a year of testing for Ukraine and for FUIB. We survived in the war and became stronger. We found opportunities for further development and support of those who have the hardest time. The bank did not stop social investment, but rather tripled it, with funding reaching more than UAH 252 million. The main efforts were focused on supporting employees and clients, defenders, business and the state, helping the wounded and promoting blood donation.

In the Report on Progress, you will learn about our specific actions for 2021 and 2022.

FUIB is the systemically important bank in Ukraine, the reliable partner for customers, individuals and companies. The bank has once again proved that under any circumstances, even in times of war, it fully fulfills its obligations to partners, customers, employees and the state. It always supports its stakeholders in difficult times. FUIB maintains a balance of sustainable development of business, team and society.

Serhiy Chernenko  
Chairman of the Management Board of "FUIB" JSC



## CONTENT

4 ABOUT FUIB

6 RESPONSIBILITY OF THE BANK

7 FUIB'S STRATEGY OF SUSTAINABLE DEVELOPMENT

8 IMPLEMENTATION OF TEN PRINCIPLES OF THE UN GLOBAL COMPACT IN THE STRATEGY AND ACTIVITIES OF FUIB

8 PRINCIPLES OF HUMAN RIGHT

9 Corporate ethics

10 Development of business environment

- ✓ Payment of taxes
- ✓ Business continuity plan
- ✓ Support of businesses
- ✓ Educational projects
- ✓ Financial literacy
- ✓ Help for the wounded
- ✓ Partnership development

18 Client-centered business model

- ✓ Improving and simplifying cooperation with the bank
- ✓ Providing cash to the state in time of war
- ✓ Partnership with Individual Deposit Guarantee Fund
- ✓ Data security
- ✓ Risk management

25 Client experience

27 PRINCIPLES OF LABOR RELATIONS

28 Equal rights and opportunities

29 Labor protection

30 Developing and training staff

32 Motivating and supporting staff

33 Corporate volunteering

36 ECOLOGICAL PRINCIPLES

38 ANTI-CORRUPTION



## **ABOUT FUIB**

First Ukrainian International Bank is the large and reliable private bank which has already been working in the Ukrainian financial market for 30 years, and provides clients with quality banking services and constantly improves service. FUIB is one of the ten biggest banks in Ukraine in terms of key financial indicators. FUIB is the universal bank, the activities of which are focused on commercial, retail and investment banking operations. FUIB strives to become the first choice bank, both for individuals and for corporate clients: a financial adviser and an assistant who understands the needs and objectives of clients, anticipates their expectations, and offers effective solutions. The dominant controlling stake in FUIB JSC is in the property of the investment company SCM Holdings Limited Company. SCM Holdings Limited is 100% owned by the sole shareholder R. L. Akhmetov.

In 2021, FUIB entered the “50 best employers in Ukraine” ranking according to Forbes Ukraine, taking 13th place in the list. FUIB was ranked second among 10 banks. According to the results of the 50 Leading Banks of Ukraine project, by the Financial Club financial publication, FUIB was recognized in two nominations of the best top managers of the banking sector of Ukraine: Serhiy Chernenko, FUIB's Chairman of the Board, was the first in the Best Top Manager of the Bank category, and Sebastian Rubai, FUIB's Deputy Chairman of the Board, received the award as The Best Retail Banker. In addition, FUIB was recognized in five nominations of the annual FinAwards 2021 award by the authoritative Minfin.com.ua and Finance.ua publications. Serhiy Chernenko was chosen as Banker of the Year, and vseKarta received gold in the Best Debit Card nomination. FUIB has taken the third place in the rating of the most user-friendly Ukrainian banks according to Forbes Ukraine and has also taken the first place in the nomination "Convenience".

The CSR Development Center in partnership with the of Corporate Governance Professional Association (CGPA) presented the Transparency Index of Ukrainian Companies 2020. FUIB took the 2nd position in the transparency rating. During the year, the bank increased its performance, rising from third to second position. Additionally, FUIB is among the top three financial institutions in the Ukrainian companies' sustainable development rating, conducted by the teams of The Money and The Korrespondent magazines in partnership with the UN Global Compact Network in Ukraine. In total, FUIB ranked 21st among 39 companies that provided the required information.

With the outbreak of a large-scale war in 2022, it became physically difficult for the bank to do business. There was a constant threat to the lives of employees and clients. There were daily shelling and cyberattacks. In the first month of the war, the business practically stopped working, and the economy came to a standstill. The well-established logistics was destroyed. Ukrainians were fleeing the war. But we survived ourselves, helped others to survive, and continued to develop the bank.

In 2022, according to a research, FUIB was recognized in six nominations of the annual Financial Club Awards. Chairman of the Board Serhiy Chernenko was recognized as the best in the Best Bank Top Manager category. Financial experts and clients noted the quality of the bank's service and product offerings. FUIB's Processing Center was recognized as the market leader in processing services by the annual award of the expert publication about FinTech, e-commerce, startups and payment systems in Ukraine and the world PaySpace Magazine Awards 2022. FUIB's PC serves not only FUIB's own card business, but also provides services to 21 partner banks.



Працюємо  
для Вас

FUIB became the winner of the annual professional Ukrainian Fintech Awards 2023 in 3 nominations - Best corporate banking digitalization, Best finance ESG initiative and Fintech marketing campaign of the year. Market experts noted that the bank showed leadership in the digitalization of corporate banking in 2022. The bank is recognized as a company that is developing in the direction of ESG and has significant achievements in the development of socially responsible business and charity, and has the best socially significant marketing campaign of 2022 in the fintech sector.

FUIB was recognized in four nominations of the annual FinAwards 2022. The bank entered the TOP-50 best wartime employers according to Forbes. FUIB was ranked first among 5 banks included in the rating.



## **RESPONSIBILITY OF FUIB**

First Ukrainian International Bank is a part of the SCM business and works as a responsible business. Through its activities, the First Ukrainian Bank not only provides sustainable financial results, but also makes a contribution to the social and economic growth of Ukraine.

In 2013, the bank implemented a Policy of corporate social responsibility and became a member of the UN Global Compact. In 2022, First Ukrainian International Bank adopted a new version of the Code of Corporate Ethics, where bank's ethical principles and values and new regulatory requirements of the National Bank are set out.

In 2016, the bank changed its self-presentation in the market and chose new values for its team. The main corporate values of FUIB reflect the principles of doing business and interaction in the bank's team: clients, ambition, results, responsibility, change, cooperation.

In February 2018, the Strategy for Sustainable Development of FUIB replaced the Policy of Corporate Social Responsibility. At the heart of FUIB's Sustainable Development Strategy are people: clients, employees, partners, residents of the cities where the bank operates. FUIB chose the following as key areas of activity for itself:

- employees' training and development;
- improvement of the bank's quality and services;
- development of the business environment and local communities.

In 2021, educational projects and the development of financial literacy were an important area of the bank's social activities. In 2022, due to the war, the bank focused on supporting the economy and Ukrainian defenders, helping the wounded, and donating blood.

To achieve the Sustainable Development Goals, FUIB has chosen: Sustainable Economic Growth (No. 8), Quality Education (No. 4), Good health and well-being (No. 3), Gender Equality (No. 5), Creating Sustainable Infrastructure, Promoting Innovation (No. 9), Promoting an Open Society, Ensuring Access to Justice for all (No. 16), Partnership for Sustainable Development (No. 17).

Safe and comfortable working conditions were created for the employees at First Ukrainian International Bank, and there are programs for professional and career development. FUIB is constantly improving the quality of services for clients. The Bank is an active participant of the projects aimed at solving social problems of the Ukrainian society. By developing business environment and partnership, overcoming corruption and increasing financial literacy of the population, we invest in the future of our country.

**FUIB's investment in sustainable  
development:**

In 2021 – over **UAH 84 mln**

In 2022 – over **UAH 252 mln**



Працюємо  
для Вас

## FUIB'S STRATEGY OF SUSTAINABLE DEVELOPMENT

Since 2018, FUIB's strategy for sustainable development has replaced the Policy of corporate social responsibility, which has been in effect in the bank since 2013. The key priorities of the Strategy are the well-being and development of employees, the quality of products and services, the development of local communities and the business environment, and financial literacy of the population.

FUIB's strategy of sustainable development, which has been developed, corresponds to the unified principles and approaches to the activities in the field of sustainable development for all companies of SCM, which are declared in How We Work principles of business ethics and in the Policy of Sustainable Development of SCM.

All companies of SCM adhere to these approaches in all aspects of their activities: in strategic planning, in the implementation of projects, and at all levels of management.

### SCM GROUP SUSTAINABILITY POLICY

 <p><b>HEALTH AND SAFETY OF EMPLOYEES</b></p> <p>We do our best to protect the health and safety of our employees</p>	 <p><b>WELFARE AND DEVELOPMENT OF EMPLOYEES</b></p> <p>We are committed to making our businesses the most attractive employers in their industries and regions of operation</p>	 <p><b>LOCAL COMMUNITY DEVELOPMENT</b></p> <p>We create good living conditions in the regions where we operate and contribute to the sustainable development of Ukraine</p>	 <p><b>ENVIRONMENT AND ENERGY EFFICIENCY</b></p> <p>We are committed to making our companies energy efficient and to minimise their environmental impact</p>
 <p><b>STAKEHOLDER ENGAGEMENT</b></p> <p>We keep a constructive dialogue with our stakeholders to jointly address social, economic and environmental issues</p>	 <p><b>CORPORATE VOLUNTEERING</b></p> <p>We make a practical contribution to addressing social concerns of our society, we develop our corporate culture and create conditions for our employees to fully realise their potential</p>	 <p><b>QUALITY OF PRODUCTS AND SERVICES</b></p> <p>We produce quality goods and offer modern and convenient services that satisfy the expectations and needs of our customers</p>	 <p><b>BUSINESS ETHICS</b></p> <p>We aim to be the leading national company that meets the highest international standards of business ethics and global practices</p>



## IMPLEMENTATION OF TEN PRINCIPLES OF THE UN GLOBAL COMPACT IN THE STRATEGY AND ACTIVITIES OF FUIB

### PRINCIPLES OF HUMAN RIGHT

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights.

**Principle 2:** Businesses should not be involved in human rights abuses.

#### Policy

First Ukrainian International Bank supports and respects the protection of internationally proclaimed human rights and the rights enshrined in the Universal Declaration of Human Rights, adopted by the UN General Assembly. Human rights and freedoms are respected and observed in FUIB without any discrimination, regardless of gender, race, nationality, language, age, place of residence, religion and political beliefs.

In 2022, we updated FUIB's Code of Corporate Ethics, in particular, we made changes to reject collaborationism and any actions or inactions that contribute to or may be regarded as cooperation with the aggressor state. The Bank categorically opposes the participation of its employees in the organization and holding of political events, dissemination of information aimed at supporting the aggressor state, its occupation administration or armed groups, and prohibits any cooperation with the Russian occupation authorities and public denial of armed aggression against Ukraine.

The Code is the basis for our relationships with each other, our partners, competitors, clients and Ukrainian society as a whole. The Code, among other things, contains provisions on respect for the individual and observance of human rights.

<b>FUIB's principles of corporate ethics</b>
1. Honesty and conscientiousness in relationships within the bank
2. Honesty and conscientiousness in relationships with colleagues
3. Honesty and conscientiousness in relationships with the proprietors (shareholders) and investors
4. Decency in relationships with customers, business partners and other interested persons
5. Decency in relationships with competitors
6. Respect for identity and human rights observance
7. Transparency and openness
8. Rejection of bribery and combating corruption
9. Sustainable development and social responsibility
10. Legitimacy and supremacy of the law
11. Maintaining a culture of risk management



Our principles and approaches to interaction with the society are also recorded in FUIB's Strategy of sustainable development. The Bank refrains from the implementation of any solutions and projects that may directly or indirectly lead to violation of the current legislation of Ukraine, and violate the principles of public morality and ethics. The Bank strives to ensure that local communities, in whose territory it carries out its activities and contributes to their social and economic development, regard them as a partner. FUIB is actively developing corporate volunteering.

## **Implementation**

### **Corporate ethics**



All bank's employees adhere to FUIB's principles of corporate ethics. In addition, we call upon our contractors, partners and customers to adhere to the principles we proposed.

Since March 2014, FUIB has joined the Trust project, the purpose of which is to promote and strengthen the rules and standards of business ethics in SCM companies. The Trust line is a single direct feedback channel, through which every employee may report violations of the Code of Corporate Ethics of SCM companies, including FUIB.

In case of detecting violations of corporate ethics in our bank, employees contact the Compliance Control Division of the bank or call the Trust line. In 2021, the Trust Line received 34 calls (which is 0.38 calls per 100 bank employees as of January 1, 2022), of which 18 have not been confirmed. The vast majority of cases are related to possible violations of policies and procedures in the field of personnel management - 17 appeals, of which 9 appeals have not been confirmed. All cases were reviewed and resolved in a timely manner, there no repeat complaints or appeals were received. In 2022, the Trust Line received 18 reports of possible violations (which makes 0.31 per 100 employees as of January 1, 2023), of which 13 were not confirmed. The vast majority of cases are related to possible violations of the rights of the bank's clients and appeals from bank employees regarding working conditions in the first months of the large-scale war. All cases were reviewed and resolved in a timely manner, and no repeat complaints or appeals were received.

#### **SCM Trust line:**

**0800-60-0777**

(all calls are free within Ukraine)

[trustline@scm.com.ua](mailto:trustline@scm.com.ua)

Compliance Control Division of FUIB carries out monitoring of the compliance with the principles of conscientiousness when providing services for clients, bank secrecy, compliance of the products and services offered by the bank with client's expectations. Moreover, Compliance Control Division ensures control over the reliability, completeness, objectivity and timeliness of the information provided by the bank in accordance with laws and regulations for public authorities, partners, clients and the public.

The Bank provides its clients and the public with truthful and accurate information about its processes, products and services. FUIB is constantly increasing the transparency of doing business. The Bank complies with all legal requirements, timely discloses complete and accurate information, including its financial position and economic performance. This allows the shareholders and the investors to make informed decisions and the clients to have the necessary information about their financial partner.

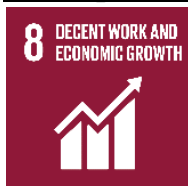
In 2021, the bank implemented the following key innovations in Ukrainian legislation strengthening information security and cybersecurity, changes to the requirements for determining the amount of credit risk (which improves the possibilities of banks for lending to small and medium-sized businesses and for mortgages), additional requirements for financial services agreements, consumer protection requirements, improved corporate governance, etc.

FUIB pays great attention on verifying the business reputation of suppliers, and identifying those who can have a negative impact on society. Reputation checks are conducted by the Department of Security through open public registries and the YouControl system. At detection of companies that violate the requirements of the law, the bank avoids doing business with them. In 2021, the business reputation of 1675 participants in procurement procedures was checked, and negative information was found in relation to 71 participants. In 2022, 1074 participants were checked, and negative information was found in 39 cases.

The Security Department automated the process of checking the business reputation of the bank's counterparties. API integration with the SmartTender platform, OpendataBot for automatic data collection was implemented. Automatic monitoring for the presence of a bank in the blacklist was built.

Since the beginning of Russia's military aggression, the bank has decided to refuse to cooperate with counterparties associated with the aggressor country. In case the security checks reveal the facts of connection with Russia and Belarus of the counterparty itself, its ultimate beneficiary, founder or director, such a participant is not allowed to participate in tender procedures. In 2022, FUIB checked all its suppliers and refused to cooperate with some of them. Also, when confirming the facts of clients' involvement in collaboration (activities in the temporarily occupied territory, connection with Russia/Belarus), the information was transferred to the Financial Monitoring Department to block the accounts.

### **Development of business environment**



In 2021-2022, First Ukrainian International Bank actively implemented projects aimed at developing the business environment and supporting businesses.

#### ***Payment of taxes***

***In 2021, FUIB paid over UAH 2.1 billion in taxes to the state budget.*** Despite the losses incurred during the war, FUIB **still paid all taxes on time.** In 2022, the bank **transferred over UAH 1.6 billion to the state budget.** Of this amount, in April and March, FUIB paid UAH 299 million in advance to support the Ukrainian economy so that the state could address urgent issues in the most difficult period.

#### ***Business continuity plan***

FUIB has had a business continuity plan since 2011, when the bank created the Business Continuity Management System. Business continuity plans (BCP) are reviewed annually, being adapted to new realities and threats. The bank was preparing for a large-scale war and developed various response plans at the end of 2021. Lviv was designated as a reserve city. In January 2022, 8 teams were already working on BCP in different areas (credit risks, liquidity, critical personnel, client communications, property evacuation, valuables evacuation, documents evacuation, branch closure). Our plans were worked out in detail, and on the morning of February 24, they were already in place. We immediately switched from business as usual to crisis management. The situation in the country required quick and balanced decisions, information collection and analysis. The Anti-Crisis Committee held meetings twice a day to stabilize the bank's operations and monitor the effectiveness of the measures taken. FUIB maintained continuity of operations and ensured the safety of employees and clients.

### *Support of businesses*



FUIB constantly monitors the course of events in the country and analyzes the situation of its clients in order to provide timely support to Ukrainian business under any circumstances. For example, in 2021, when the COVID-19 epidemic was still ongoing, the bank started providing **electronic trust services for the formation, verification and validation of a qualified certificate of electronic signature or seal**. This allowed clients to switch to new standards of remote banking free of charge (the

entire document flow is available in a remote channel), as well as to achieve electronic signature security. In 2021, more than 17,000 customers, and in 2022, more than 21,000 customers rated the convenience of QES services provided by the qualified provider of electronic services of FUIB.

In 2021, the bank also **started lending to entrepreneurs, providing microloans to individual entrepreneurs without collateral, packages of documents, or visits to the bank**. A microloan is issued in Digital Business online banking within several minutes. In addition, FUIB has created a mobile application for businesses that allows them to manage their finances via smartphone. At the end of the year, 5,000 clients became users of the convenient application.

**Since the first days of the war in 2022, FUIB has made a number of important decisions to support its clients.** It introduced loan repayment holidays for corporate clients for several months. These were not only loan body repayment vacations, but also interest vacations. At that time, no one understood the scale of the war, so we first gave business clients the opportunity to pay taxes and salaries to their employees and make critical payments. Later, we adapted these vacations, leaving the interest, but individually working with each client to transfer or restructure the loan body. It all depended on the specific business sector, its location, and business model. In addition, there were clients who remained in the occupied territories and in regions close to the front line, and those who lost their business. We chose individual solutions for each of them to find the best option for loan repayment.

As for payment services, FUIB canceled the fixed acquiring fee for six months and significantly reduced the level of the fee charged on the daily and monthly turnover of clients. The bank did not charge a single penny from clients who had suspended or lost their business, even if they had conducted transactions.

The bank **continued to lend to businesses** during the war. If in 2021 the bank financed agricultural producers in the amount of 3.2 billion, then in the year of the full-scale invasion, the amount of credit support increased and amounted to 7.8 billion UAH. The bank's credit support helped Ukrainian agricultural enterprises to carry out field work on schedule. In 2022, the total volume of FUIB loans for all business segments amounted to UAH 19.1 billion, exceeding the indicators of the peaceful year of 2021 by UAH 1.2 billion (UAH 17.9 billion), which only confirms the strength of the bank's support for Ukrainian entrepreneurs even in wartime conditions.

We have also created the **Everything will be Ukraine new tariff package** for internally displaced businesses, the terms of which take into account all the urgent needs of relocated businesses and facilitate the speedy resumption of small and medium-sized businesses in a safe area. We have introduced a product called SMART OP!LATA, which makes it possible to make payments by scanning a QR code even during a power outage. It is fast and convenient - with just a mobile phone.

At the end of 2021, the number of **small, medium and large corporate business clients** served by FUIB amounted to **more than 89,100**. The increase in small business compared to the previous year amounted to 19,900 customers, or 19.6%. **At the end of 2022, almost 100,900 corporate clients trusted the bank.** Since the beginning of the year, more than 18,100 business clients have become FUIB's clients. Among them are more than 16,500 small business clients, their growth over the year amounted to +15%.

In 2021, FUIB was recognized as the leader in the SME Support nomination of the Financial Oscar rating compiled by the Business magazine for its achievements in lending and servicing small and medium-sized businesses. The bank was also ranked second in the Agrarian Bank nomination for its high results and significant activity in supporting and financing agricultural projects. Serhiy Mahdych, FUIB's Deputy Chairman of the Board for Corporate Business, became one of the best SME bankers, taking second place in the rating of the Small Financial Oscar 2021 by the Business magazine. In 2022, FUIB was once again recognized as the best bank for SMEs according to the FinAwards 2022 reward. Serhiy Mahdych was recognized in the Best Corporate Banker nomination of the annual Financial Club Awards 2022.

### *Educational projects*



In 2021 and 2022, FUIB remained a strategic partner of the Kyiv School of Economics (KSE), which is one of the best schools in Central and Eastern Europe. The bank has strengthened its support for KSE by providing a grant of USD 1 million for its development over 10 years. The grant has 2 key areas - asset development and institutional support. The first direction involves the arrangement of 3 educational and recreational areas: floor of business education, as well as 2 study and recreation areas for students and teachers in the new building of the Kyiv School of Economics. A social and publicistic project will be implemented on the floor of business education: annual semi-annual exhibition of business trends, which codifies the synergy of academic approach and market knowledge. Institutional support includes the allocation of funds to cover discounts on tuition at the bachelor's programs of the Kyiv School of Economics. Thus, in 2022, despite the war, the bank invested UAH 4 million in quality higher education. FUIB's support made it possible to continue the scholarship program and provide tuition discounts to students with exceptional abilities and high academic achievements. KSE continues to train professionals who are able to implement qualitative changes and rebuild Ukraine after the victory.



«The tuition discount is the result of daily work. Yes, it requires a lot of effort, but the result is worth it and is an incentive to go beyond your own capabilities. The discount helped reduce the financial burden on my parents. They have always supported me, including in choosing a university, and now I have the opportunity to thank them,» said **Sofiia Mazepa, a first-year student at the Kyiv School of Economics.**

In 2021, for the sixth year in a row, FUIB supported **My Career in Ukraine** career guidance project of the **Center for CSR Development and Career Hub**. It was aimed at showing the young generation a possible way of career development and inspiring them to choose a future profession consciously. More than 4,000 students from grades 9-10 participated in the My Future in Ukraine all-Ukrainian national lesson. Over 1,500 high school students registered for the sixth My Career in Ukraine project. The 300 most motivated teenagers met successful people in career meetings in medical, creative, media, services, industry fields, as well as in business, economics and IT fields. 30 most active teenagers made it to the finals of the project to spend a day with their idols and learn more about the profession that interests them. The project involved 20 FUIB volunteers, experts in various professional fields.



"During the project, researching different professions and industries, I realized that the media field I was thinking about earlier was not for me. Now I have become interested in cybersecurity, because I attended a meeting with the head of FUIB's security, saw what the work looks like from the inside and heard a lot of useful and new information", - said **Olena Naumenko, from Makhnivka, Vinnytsia region, participant of the sixth My Career in Ukraine project.**



On August 27-29, 2021, a free **audio performance called "Wheel of Stories"**, initiated by FUIB, took place on the **Ferris wheel in Kyiv's Podil district on the occasion of the 30th anniversary of Ukraine's independence.** Each of the 30 booths of the Ferris wheel is dedicated to a separate year in the country's history. Each year is reflected in an audio play through real-life scenes. Once inside the Ferris wheel booth, the visitor activates the audio play via a QR code. The page of the audio player with performances was visited by 5,000 Ukrainians and guests of the capital. The main goal of the Wheel of Stories is to make Ukrainians proud of the path they have traveled and inspire them to new achievements. One can also listen to 11 episodes of the audio play on the NV edition website <https://podcasts.nv.ua/podcast/189-koleso-istoriy.html>.

### **Financial literacy**



Since the level of **financial literacy** in Ukraine is still low among the countries of the Organization for Economic Cooperation and Development, FUIB pays attention to educational communications in social networks, mass media, and corporate publications.

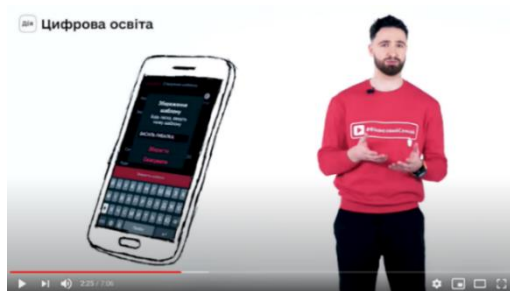
The bank is about support and willingness to share knowledge and help clients save money. The Segodnya newspaper together with FUIB created a short guide to help Ukrainians protect their

finances from online fraudsters. <https://www.segodnya.ua/longread/finansove-strahuvannya/index.html>. Almost 54,000 readers have read the useful material.

Financial literacy is about the ability to plan your budget and choose the most profitable banking products. In the fall of 2021, FUIB launched a series of educational publications on deposit products and profitable management of own funds. The project reached more than 2 million Ukrainians.

In 2021, FUIB continued to publish The People's Banker financial literacy magazine, which was available in print in branches and online on the bank's website

[https://about.pumb.ua/presscenter/narodnyy\\_bankir](https://about.pumb.ua/presscenter/narodnyy_bankir). The magazine reached about 50,000 readers.

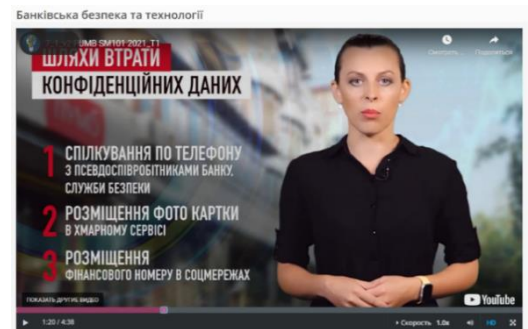


In 2021, the Ministry of Digital Transformation of Ukraine in partnership with the National Bank of Ukraine and FUIB created an educational series called Financial Sensei. You can watch the educational series for free on the Diya.Digital Education platform <https://osvita.diia.gov.ua/courses/finansovyy-sensey>. It consists of 8 episodes lasting 5-10 minutes. Financial Sensei considers important real life

situations: how to plan a budget and accumulate, save money and gather for the dream thing, how to use the credit limit and not to pay interest, how to save own money from cyber fraudsters and manage own money online anywhere in the world and many other interesting banking insights. In 2021, 1200 students took the course.

In addition, in 2021, FUIB and the well-known online learning platform Prometheus created the Just About Money course for those who still think that banks close from time to time, so they are unreliable; bank is complicated and incomprehensible; keeping money in a bank is unprofitable and dangerous; credit is a debt pit due to hidden fees and unclear terms, etc. This is a free basic course on financial literacy, in which FUIB experts explain using clear examples how conveniently, safely and profitably to use banking products and services, and to manage own finances. Course lecturers: Dmytro Dudnyk, Director of Retail Products Department; Anastasia Rancheva, Head of Passive Retail Products Department; Oleksandra Chepurina, Head of Credit Card Department. The Just About Money course is available on the Prometheus platform [at the link](#)

At the end of 2021, the course had 6,700 students.



**Blogger Lilya Savchyn about the course:** *"Money gives us opportunities. It is important to be able to manage it properly. If you want to understand the basic issues of finance in general and the benefits of various banking services, learn more about financial security, the Just About Money course will definitely be useful to you. It really contains useful information, for example, how to choose a reliable bank, how to borrow money, how to make payments quickly, and even how to protect yourself from fraudsters. I recommend it to everyone for their general development, especially since it's free".*

**FUIB Bank's play station is open for children in the Kidlandia city of professions in the**



**Blockbuster shopping center in Kyiv.** Here one can work as a bank manager, cashier and cash collector. In a simple form with the help of cartoon characters, children will find out why a bank is needed and what are its main advantages and products. Each child can open a playing account in the bank, to earn local currency and - after saving funds - to open a deposit. FUIB in Kidlandia is exciting and informative. These are investments in financial literacy and career guidance for children. The station stopped working during the war.

In 2022, due to the war, all of the bank's educational activities to improve financial literacy were conducted on the bank's official Facebook page. Here, we provided up-to-date information on changes in the financial system of Ukraine and consultations on financial issues, and taught the safe use of mobile banking. We tried to transfer clients to remote service channels as much as possible for their safety.

**Help for the wounded**



Ukrainian soldiers are in constant need of **hemostatic agents for tactical medicine and blood components in hot spots.** In addition, the economy is bleeding during the war. Therefore, FUIB initiated the We Are of the Same Blood social project to support Ukrainian small businesses and art, promote donor initiatives, and help the wounded. This is the large-scale partnership project of the bank, the logistics company, 6 Ukrainian manufacturers and 5 illustrators, and 2 public organizations. FUIB transfers half of the cost of each order of patriotic merchandise created by Ukrainian manufacturers to the DonorUA and Blood Agents charitable foundations. The funds raised are used to meet the needs for donated blood, deliver blood components to hot spots, and purchase tactical medicine for Ukrainian soldiers. Ukrainians support the project not only by ordering patriotic clothing, accessories, and replaceable chevron stickers, but also by donating blood at donor centers.

**In 6 months of 2022, the We Are of One Blood initiative raised UAH 2.5 million.** The funds were used to purchase 350 tourniquets, 253 occlusive stickers, 240 hemostatic bandages, 210 compression bandages, 2 low-temperature freezers for blood plasma storage in Kherson, and 31 deliveries of blood components to hot spots, and each delivery means thousands of lives saved. More than 550 Ukrainians have become donors, which means hope for recovery for more than 1650 people. The project involved 5,000 Ukrainians, and more than 10 million people learned about the bank's project. Ukrainian business and art were supported for UAH 6 million. Project pages in social networks [www.facebook.com/lifesavingmerch](https://www.facebook.com/lifesavingmerch) and <https://www.instagram.com/lifesavingmerch>. <https://lifesavingmerch.com.ua/>website.



FUIB, together with its clients, friends and partners, **raised 6 million for surgical equipment for the frontline operating room.** The website of the initiative is [www.pumbdonation.com.ua](http://www.pumbdonation.com.ua). Emergency medical care is provided in one of the hospitals closest to the combat zone in the



frontline area of the operational command "South". The initiative's partner is the Serhii Prytula Charitable Foundation. With the help of the Foundation's team, all the funds raised were used to purchase complete equipment for four operating rooms. According to doctors' estimates, they can save up to 900 lives every month. The main physician of the frontline medical facility thanked all those who cared and emphasized that "the surgical equipment received from the first days of transfer to the hospital helps serious patients with polytrauma and combat wounds, when the time of emergency care counts for minutes, and actually brings them back to life."

### Partnership development



#### Partnership with banks and the NBU

**The all-Ukrainian Coins for Children charity event** initiated by the National Bank of Ukraine and the Tabletochki Foundation proves that there is no place for competition in sustainable development. From September to October 2021, the participants of the campaign raised UAH 3 million to help children with cancer using 25 kopiika coins, which ceased to be legal tender a year ago. FUIB was one of the 6 partner banks of the campaign, which accepted coins from the campaign participants and transferred the funds raised to the account of the Tabletochki Charitable Foundation. In total, 2,371 bank branches from all over Ukraine took part in the campaign. The driving force behind the campaign was children - preschoolers, schoolchildren and students. 173 FUIB branches took part in the campaign. They transferred more than UAH 200,000 to the Tabletochki Foundation.

In 2022, during the war, the NBU, together with banks, united to support the Armed Forces. FUIB became a **partner of the NBU's Brave Hryvnia charity campaign**. From August 1 to October 31, coins in denominations of 10, 50 kopiika and 1, 2, 5 and 10 hryvnias were collected throughout Ukraine to be mobilized to the front. It was also possible to bring non-payment coins of 1, 2, 5, 25 kopiika to FUIB branches. Over the three months of the Brave Hryvnia campaign, Ukrainians raised almost UAH 5 million. Almost UAH 1 million was transferred in coins through FUIB branches and transferred to the NBU special account to support the Armed Forces of Ukraine.



#### Смілива гривня

**Entrepreneur Oleksii Nosivets, who donated more than UAH 3,000 in coins through FUIB,** commented: *"We have been collecting coins at home for more than a year. I brought 5 kilograms of coins to the branch. Little strokes fell great oaks. If everyone contributes a little bit, we will definitely win. The war has shown that our strength is in our unity."*

In the fall and winter of 2022, Russia stepped up attacks on the country's critical infrastructure, threatening a total blackout. **At the initiative of the National Bank of Ukraine, all systemically important banks, including FUIB, have united to create POWER BANKING.** This is a joint network of bank branches throughout Ukraine that operate and provide banking services to clients even in a critical situation during a blackout. The branches of the joint network are provided with alternative energy sources and backup communication channels, have enhanced cash collection and additional staff. In addition, ATM national roaming has been introduced in the branches of the POWER BANKING network. Projects website: <https://power.bank.gov.ua> .



As a primary dealer in 2022, FUIB **launched a service for the sale of military government bonds**, the issue of which was initiated by the Ministry of Finance of Ukraine to support the budget of Ukraine through investment. As of the end of 2022, the total amount of investments in military bonds from 1,085 bank clients, individuals and legal entities, amounted to more than UAH 562 million, USD 17.74 million, and EUR 3.52 million.

### *Partnership with Charitable Foundations and NGOs for the sake of victory*



FUIB supports Ukrainian defenders. In 2022, **FUIB allocated more than UAH 81 million to support the Armed Forces, the Territorial Defense, the State Emergency Service, the National Police, the National Guard, the Defence Intelligence and the Security Service of Ukraine**. These funds were used to purchase bulletproof vests and helmets, radios and thermal imaging devices, tactical backpacks, clothing and footwear, copters and cars, medicines and fuel. We have processed over 110 applications from various military units and special forces.

45 of our armored collection vehicles donated to the Armed Forces of Ukraine evacuated seriously wounded soldiers from the front line, delivered ammunition to the front line, participated in intercepting saboteurs and delivering food to city residents in the hottest spots. The armored vehicles saved dozens of lives.

The bank **promptly responds to the needs of the defenders**: while helmets and bulletproof vests were needed at first, later on it was thermal imaging devices and quadcopters, warm military clothing and footwear, stoves for heating and cooking, and hand and foot warmers. There is also an urgent need for high-precision weapons for our Armed Forces. That is why FUIB joined the nationwide fundraising for kamikaze drones and armored vehicles organized by the Serhii Prytula Foundation and donated UAH 2 million.

FUIB's partners in supporting the Armed Forces of Ukraine include well-known charitable foundations, such as KSE Foundation and Serhii Prytula Foundation, as well as small volunteer organizations, and together we are doing one big important thing.

**Kyiv School of Economics Charitable Foundation:** *"FUIB was the first business to provide financial support to the Foundation during the war, transferring UAH 20 million for bulletproof vests for the Territorial Defense forces. Recently, the bank has allocated another UAH 2.7 million to provide the necessary means for military scouts. This is a contribution to strengthening Ukraine's defense capabilities and saving lives."*

**Ukrainians together NGO:** *"With the support provided by the bank, we have purchased a thermal imaging device, which has received high marks from the defenders and is already being used in the Kherson region. Thank you for your concern and involvement in our common future victory!"*

Our clients have been constantly helping FUIB to bring the victory closer. Since the beginning of the war, FUIB has organized **the possibility of quick transfer of any amount without a commission to support our army** through all bank channels. Ukrainians through FUIB



transferred **almost UAH 345 million** for the needs of the Armed Forces and humanitarian support over the year.

### *Partnership with government agencies*

FUIB supported the exhibition dedicated to the 35th anniversary of the Chernobyl disaster, which was on display at the capital's VDNH since April 26, 2021. **Chornobyl. The Journey multimedia exhibition** consisted of seven semantic blocks - from the world context of the turbulent 1986 to the story of the accident itself, from the stories of people whose destinies are inextricably linked to the events of April 26, 1986, to the dialog about the future of Chernobyl and its future. The project was initiated by the Office of the President and created by the Ministry of Environmental Protection and Natural Resources of Ukraine together with State Agency of Ukraine on Exclusion Zone Management with the support of the Ministry of Culture and Information Policy. The exhibition included 70 events and featured more than 100 exhibits from Ukraine and around the world. Over 38 thousand guests visited the exhibition in a few months. More than 10 million people learned about the project.

On September 3, 2021, a fire in **St. Nicholas Church** in Kyiv damaged the building's interior and organ. Upon learning about this, the bank's team did not hesitate to **allocate UAH 1 million for the restoration of the architectural monument** built in 1899-1909 in the Neo-Gothic style by Kyiv architect Vladyslav Horodetskyi. St. Nicholas Church is one of the symbols of the Ukrainian capital and is also known for its unique organ. The church houses the National House of Organ and Chamber Music. Ukrainian business has united to restore an architectural monument of national importance and preserve cultural heritage for future generations.

On October 26, 2021, 11 businesses, including FUIB, joined the **Without Barriers initiative of the First Lady of Ukraine Olena Zelenska**. The Without Barriers initiative is designed to create a society without obstacles, which provides equal rights and opportunities for all people in self-realization, employment, movement, services, education, communication, leisure, and development. The bank employs many people who at some point in their lives become mobility impaired - during the birth of a child and caring for it or a long illness, immediately after graduation or reaching a senior age. The bank creates comfortable and flexible conditions for work, communication, study and career growth for everyone. We are opening more and more bank branches that are accessible to people with disabilities, we are developing new service standards for them. The branches are equipped with ramps, electric lifts, tactile tiles, staff call buttons, Braille signs, etc.

In 2022, due to the war, almost no work was done to **build inclusive branches**. We managed to create conditions for unimpeded access to the premises for people with limited mobility at three existing branches. As of the beginning of 2023, 171 branches (the work at 14 of which is currently suspended) have completed work on the accessibility of entrance groups for people with reduced mobility, out of 206 operating branches.

### *Client-centered business model*

#### *Improving and simplifying cooperation with the bank*



**The clients are the key value of FUIB.** Each employee does everything possible to make the cooperation between the client and the bank easy and simple. For the convenience of customers, all branches of FUIB's network, which **numbered 248** at the end of 2021, have **self-service**



**areas** with payment terminals where clients can conduct banking transactions themselves. Bank cash desks have the possibility to withdraw cash using contactless PayPass and PayWave technologies. **Free Wi-Fi** is provided in all branches. Additionally, for the comfort of clients who are entrepreneurs, the bank equips territorially remote cash desks and B@W points on their premises. In addition, in the branches, the bank creates **24/7 zones with round-the-clock access to banking services**: at the end of the year, these zones were organized in 120 branches. Also, in 104 branches, clients are met by a **meeter and greeter**, who advises, helps to navigate in the branch, teaches how to use self-service terminals (SST) and Internet banking. In 2021, the bank expanded its presence, including in small towns, in different regions of Ukraine, opening **18 new branches**.



From the first days of the war, part of the banking infrastructure was destroyed – it was in the war zone or under occupation. We were forced to close branches. We faced problems with transportation of cash to hot spots and replenishment of ATMs. As of December 31, 2022, the bank suspended operations or closed 48 branches, including 1 regional center. Also, the bank's fixed assets, including its own buildings with a carrying value of UAH 69.97 million and lost cash in the amount of UAH 88.90 million, were written off.

However, as soon as the region became safe for the bank's customers and employees, FUIB **immediately resumed the operation of its branches**. Thus, the bank opened the doors of branches in Chernihiv, Irpin, Kherson, Sloviansk, and

Nikopol. In total, after the situation in the region stabilized, 8 branches resumed operations. At the end of 2022, there were 206 branches in operation.

**We have set up new branches – our resilience points** – where one can get the full range of services, as well as recharge your phones, connect to WiFi and keep warm. At the end of 2022, 87 emergency branches were operating. In total, 184 FUIB branches were connected to uninterruptible power supplies and stable communication channels.

**Our cash collectors, security experts and branch employees are real heroes.** They developed new logistics routes to deliver cash and valuables. They have repeatedly helped evacuate people from the war zone because they know the safe routes. Our armored vehicles were on duty with our employees at the Territorial Defense. Cashiers collected cassettes with money under bombardment in Kharkiv, Mykolaiv, Mariupol and other cities. Colleagues were charging ATMs and collecting money from clients. Branch employees walk 2-3 hours to get to work in cities and towns where there is no public transportation because they have clients waiting for them. Collectors spend 2-3 days on business trips because routes that used to take about 6 hours now take several days. Security and IT experts repel cyberattacks and maintain the stability of all banking systems, protecting data and funds. We have incredible people!

The bank provides consumer lending opportunities in small towns, helping to improve the welfare of the population. In 2021, **750 express sale points of the bank** offered financial advice, as well as a loan for goods, cash loans and credit cards. In **19 mini-branches** - in addition to obtaining a loan - a client can get a debit card issue, formalize a deposit, withdraw funds from an ATM or replenish their card at the SSTC, perform any operation in PUMB Online. About 168,000 clients have used the bank's services in small towns.



Since February 24, 2022, all points of sale have been closed. The reopening of the first 100 points of sale in stores began in July 2022, and by September, the entire network resumed full-fledged lending operations in safe areas. **At the end of the year, we operated 550 points of sale and 18 mini-branches in district centers and small towns.** We supported our clients with loan repayment vacations, loan debt restructuring, and new loans for goods, cash, or credit cards.

In 2021, in more than **2,700 partner stores**, including online stores, in **292 settlements** of Ukraine, FUIB provided an **opportunity to obtain a consumer loan for the purchase of goods and services.** The bank's employees not only offered to apply for the bank's products, but also taught remote financial management. FUIB, together with its retailer partners, made customers' purchases more affordable through interesting joint promotions, as well as provided opportunities to receive installments when paying for goods by credit card. The use of smartphones for servicing allowed us to significantly reduce the time for processing loans and make the process more convenient for clients. In 2021, FUIB began to implement the process of obtaining consumer loans for regular clients of the bank using a paperless process through the PUMB Online application.

At the beginning of the war, consumer lending was suspended, but it was resumed in August 2022. We understood that supporting our partners and resuming the lending process in their networks was an important step to improve their financial stability and support their operations, and for customers it was an opportunity to cover their needs to buy goods in credit without having full amount cash. This was especially important to support internally displaced persons who were forced to start a new life and had no other way to buy the necessary goods to equip their homes. **By the end of 2022, we were already operating in more than 3,000 partner stores**, including online stores. In August 2022, we launched the *partner cashback* loyalty program to encourage bank clients to spend money in our partners' networks and receive an additional bonus in the form of cashback. From August to December, 4,800 clients took advantage of the beneficial loyalty program and made more than 7,000 purchases, which allowed our partners to generate additional turnover.

At the end of 2021, FUIB served **more than 1.7 million active private clients.** Over the year, the client base increased by 260,000 clients, or by 13.9%. The transaction activity of clients also increased by 25% over the year, rising from 13 to 20 transactions per month.

The bank's most popular product is the vseMOZHU credit card. As of the end of 2021, 911,000 clients had applied for it. According to the Best Banking Products of 2021 Prostobank Awards rating by Prostobank Consulting, the vseMOZHU credit card received gold in the Credit Cards nomination. The jury recognized vseMOZHU for its convenient and favorable terms. Our clients have also started to use cashback more often since it appeared in the mobile application. In addition, due to attractive interest rates and the bank's reliability, demand for savings products, such as fixed-term deposits and demand deposits, has increased.

The **PUMB Online mobile application** has the basic functions that allow clients to manage their finances 24/7 from anywhere in the world, without contacting a call center or a branch. Most clients chose the mobile application to solve their financial issues. In 2021, more than 300,00 clients evaluated the application. At the end of the year, PUMB Online had 1.2 million active users.

In 2022, it was important for FUIB to support its clients. One of our first decisions in February 2022 was to maintain credit limits on cards - we allowed customers to use credit funds and withdraw cash without any obstacles at ATMs and cash desks of branches. FUIB introduced





**loan repayment vacations** and reduced fees for using its services. For the sake of security, we tried to switch to remote channels as much as possible in terms of work, service and communication. Our **remote channels worked non-stop**. Despite the war, **the terms of use of FUIB debit cards, including vseKARTA, remained unchanged**: free issuing and servicing of the card and transfers to cards of any Ukrainian bank in hryvnia using PUMB Online and payment for utilities and replenishment of mobile operator numbers in the application – without commission. The bank's clients do not need to endanger themselves, stand in lines or look for the nearest bank branch - FUIB has taken care of everything and **automatically extended the validity of all FUIB cards**.

**FUIB continued to fulfill all its obligations**. Including as an agent bank of the Deposit Guarantee Fund. As a result of a balanced policy, the bank is trusted by its clients. Thus, 83% of the bank's individual clients extended their deposits in 2022.

At the end of 2022, the total number of users of the **PUMB Online mobile application** remained at over 1.2 million active users. Clients were able to solve their urgent issues without visiting branches. During the year of war, new features were implemented in PUMB Online: international transfers, loan repayment vacations and refinancing, ePidtrymka card for receiving state aid, foreign currency deposits, a map of bank branches, getting receipts for payments, chat with online support in messengers.

During the war, clients appreciated our **support with loan repayment vacations and loan restructuring programs, which were used by 80% of clients**. The issuing of a virtual debit card was also in demand in 2022. More than 800,000 cards were opened with ePidtrymka.

At the end of 2022, FUIB served **more than 1.7 million active private clients**, and despite the war, it retained its client base.

In 2021, more than 24,000 **pensioners chose FUIB to service their pension accounts**, and in 2022, almost 113,000 took out the "Sotsialnyi" and "vseKARTA" packages for social payments. Issuing and servicing a social card is free of charge. Pensioners can withdraw money from the card free of charge at any ATM throughout Ukraine. The bank has created special loan programs for pensioners. In addition, the bank added 5% per annum on the balance over 1,000 hryvnias.

In 2022, a **virtual card called ePidtrymka** was offered for war victims who receive financial assistance from the state. FUIB clients received financial aid from the government of Ukraine and from international organizations, including the International Committee of the Red Cross in Ukraine and the Ukrainian Red Cross Society, UNICEF, the UN, etc.

In 2021, the bank cooperated **with more than 20,000 payroll companies**, serving more than 480,000 of their employees. In 2022, FUIB already **cooperated with more than 26,000 payroll companies**. Payroll clients are offered free issuance and servicing of salary cards, issuance of cards by a bank employee at the enterprise, financial literacy training, high-quality and timely collection of ATMs at enterprises. Payroll clients can replenish FUIB cards free of charge in the network of various terminals throughout Ukraine; connect cashback in the FUIB Online application; remotely open accounts using the Diia application.

### *Providing cash to the state in time of war*

Since the beginning of the war, **FUIB has actually switched to point management of each collection team, constantly communicated with the collectors and adjusted routes in**

**accordance with the rapidly changing situation.**

The main challenges for the team were: evacuation of bank valuables and bank employees from the combat zones under constant shelling, bombing and on mined transport routes; cash reinforcement of ATMs, branches and bank clients under constant shelling; opening new logistics schemes for the supply of foreign cash; providing additional security measures for employees for safe travel and identification at checkpoints; providing the necessary amount of cash to meet all clients' needs;



accelerated transition to electronic documents, their formation, signing and storage in order to preserve personal data of clients. Since FUIB is an authorized bank for the storage of NBU valuables, it also evacuated the state's cash to safe regions. Our cash collectors are heroes!

***Partnership with Individual Deposit Guarantee Fund***

In 2021-2022, FUIB continued to **actively cooperate with the Individual Deposit Guarantee Fund (DGF)**. In 2021, FUIB paid compensation to 672 clients of insolvent banks for a total amount of UAH 117.5 million at the expense of funds received from the DGF. Of these 385 people decided to continue cooperation with FUIB and became its clients. For 12 months of 2022, FUIB paid more than UAH 715 million to 7,200 Ukrainians - depositors of insolvent banks. More than 1,000 citizens decided to continue cooperation with FUIB. In 2022, FUIB was one of the first to implement the possibility of receiving DGF reimbursement payments based on a client's application in the FUIB Online mobile application, which is especially relevant during martial law.

In 2021, FUIB paid fees UAH 196.1 million to the DGF, and in 2022 - more than UAH 232.4 million.

***Data security***

The bank has implemented modern systems for intrusion prevention, anti-virus protection, data encryption, and mobile device management. The bank regularly conducts penetration tests. The bank's information security systems block attempted attacks on a daily basis.

**The bank uses a comprehensive approach to information security:**

1. It uses special technical means to combat information leakage - DLP.
2. Regular attendance of information security courses by the bank's employees.
3. Creation of a system of differentiation of rights and accesses that allows to provide access to client information to the minimum required number of employees.
4. Exchange of confidential information using modern encryption algorithms.

In 2021 and 2022, there were no hacker attacks that led to the leakage of confidential data or compromise of the bank's systems. At the beginning of the invasion of Ukraine in 2022, several powerful DDOS attacks were launched against the bank, which FUIB withstood without stopping services.

During the pandemic and the war, FUIB implemented **the possibility of remote work for some employees without creating risks to the security of confidential information and system security**. Employees have contactless access using mobile identifiers. The bank also has **remote access to the video surveillance system**.



FUIB has an **anti-fraud system for cross-channel monitoring and control of transactions**, which allows achieving a significant reduction in monthly losses of FUIB clients from fraudulent transactions. In 2021, we **saved clients' funds in the amount of UAH 200 million**, and reduced the number of affected clients by 2 times. During the war, FUIB paid special attention to fraudulent schemes related to social engineering, fundraising for defenders, and rental housing for IDPs. During the year of war, we saved **UAH 150 million on the accounts of 7,500 clients** due to continuous improvement of anti-fraud monitoring.

In order to **counteract fraud with bank cards**, FUIB's call center has a special **line of direct communication with security specialists**. FUIB's Security Department provides prompt support and effective assistance to clients: blocking a card or account, notifying other banks of fraud attempts, etc. FUIB's security service cooperates with the Cyber Police to identify criminal groups.

FUIB's security experts are actively involved in **anti-fraud and cybercrime counteraction activities** organized by the Ukrainian Interbank Association of Payment System Members EMA. This is a partnership for safe cashless payments in Ukraine.

### ***Risk management***

FUIB has an **effective risk management system**, that meets the requirements of the NBU Regulation No. 64 dated June 11, 2018 "On the Organization of the Risk Management System in Ukrainian Banks and Banking Groups". The risk management system is part of the overall corporate management system of the bank and is aimed at ensuring the stable development of the bank within the framework of the implementation of the bank's development strategy in all areas of business.

To implement all the requirements of the NBU, the following internal regulatory documents have been developed by FUIB:

- 1) *Declaration of risk exposure*. The document defines:
  - the aggregate level of risk appetite and the types of risks that the bank intends to take and hold to achieve its business goals
  - the maximum level of risk acceptable for the bank based on the amount of available resources (capital and liquidity needs);
  - quantitative and qualitative indicators by types of material risks;
  - individual level of risk appetite for each type of material risk;
  - types of risks that the bank should avoid.
- 2) *Risk Management Policy and Risk Management Strategy*. The documents regulate the organization of a clear process for effective risk management by setting limits and thresholds for each type of risk, which aims to implement a systematic process of identifying, measuring, monitoring, controlling, reporting and mitigating all types of risks at all organizational levels of the bank.

To ensure the stability and security of the bank's business, along with the risk management system, the internal control system (ICS) has been implemented, which is regulated by the internal regulatory document "Policy on Organization of the Internal Control System". The document fully complies with the requirements of the NBU Regulation No. 88 dated July 2, 2019 "On Organization of the Internal Control System in Ukrainian Banks and Banking Groups". The ICS is based on the model of three lines of defense.

The first line of defense includes business and support units of the bank. The second line is the risk management and compliance departments. On the third line, the Internal Audit Department evaluates the effectiveness of the risk management system by the units of the first and second levels of protection and assesses the effectiveness of the internal control system.

**The 3 lines of defense provide:**

- **Risk identification.** The bank's structural units that carry out banking operations and provide their support are involved in the process of identifying, assessing and monitoring risks, comply with the requirements of internal regulations on risk management, and take into account the level of risk in the course of operations.
- **Risk management.** The Risk Management and Compliance Control departments develop risk management mechanisms and methodology, assess and monitor the level of risks, prepare risk reports, perform aggregate risk assessment, and evaluate the ratio of risk to the established risk appetite.
- **Internal audit.** It conducts an independent assessment of the effectiveness of the risk management system, corporate governance and internal control system, identifies violations and makes proposals for improving the risk management system.

To control and timely respond to any events that may affect the sustainable development of the bank, monthly, quarterly and annual reports are provided, which are reviewed by the Management Board and the Supervisory Board of the bank. To regulate social issues, FUIB has developed and implemented the following regulatory documents:

- Code of Corporate Ethics
- Anti-corruption program
- Code of Corporate Governance
- Regulations on the settlement of conflicts of interest
- Procedure for organizing the work of the SCM trust line
- Financial monitoring rules
- Procedure for giving and receiving gifts and invitations
- Procedure for staff training
- Procedure for the formation of the staffing table



With regard to environmental issues, FUIB decided to develop ESG direction. Thus, the Declaration of Risk Exposure records the impact of climate risks on credit risks of corporate clients regarding the loss of collateral, borrower default, lack of insurance of collateral; and operational risks regarding the loss of property and/or suspension of the bank's operations (direct impact of natural factors on business continuity is assessed) as a result of natural disasters. In 2021, FUIB developed and approved the concept of climate risk management. This is a new direction that will be developed in the bank as part of the Risk Management System.

In 2021, the main risks were related to ensuring business continuity in the context of COVID-19. We implemented measures that allowed us to work efficiently and without slowing down the pace of business. At the same time, the bank's clients were provided with comfortable and reliable remote and branch services.

For 2022, the list of the bank's material risks has not changed, but the causes of these risks have changed since February 24, 2022. Thus, for credit and operational risks, the main reasons for their growth were military operations and the introduction of martial law in Ukraine. Credit risks also increased due to the loss of customer solvency during the war. 78% of all actual losses from operational risk in 2022 were losses of property and assets due to hostilities.



Back in January 2022, FUIB developed and approved a clear response plan for all types of material risks in the event of a threat of hostilities. In terms of credit risks, algorithms for suspending customer lending and debt restructuring scenarios were developed in advance and implemented in March 2022 to reduce the credit burden on Ukrainian individuals and legal entities. To prevent the loss of property and assets, emergency evacuation plans for valuables and personnel were developed, as well as to ensure the continuous operation of critical processes and systems. As a result, the bank's losses were recorded only in the occupied territories and in the territories of hostilities for property that could not be evacuated due to significant danger and for buildings that were damaged or destroyed as a result of shelling.

### Client experience



**FUIB studies client satisfaction** through various tools: external studies, the Secret Buyer program, internal specialized surveys, complaints and suggestions. Thus, the bank has the most complete information on the feedbacks and behavior of clients when interacting with the bank.

The bank pays special attention to handling **customer complaints and suggestions**. FUIB is building a single call center with maximum automation of processes, quick resolution of client problems, and prompt customer feedback. The technical work is scheduled to be completed in 2023.

Since 2021, we have been regularly monitoring the processing of customer requests on social networks and forums, identifying inconsistencies with service standards and modern approaches to working with clients in public channels. Training is provided, new scripts and approaches to service are developed. In 2022, the total number of complaints decreased by -24% compared to 2021. The main problems of clients were related to malfunctions of the mobile application.

For more than ten years in a row, FUIB has been implementing the **Secret Buyer program**, which helps to assess the quality of service at customer contact points. In 2021, a number of assessments were conducted to identify misunderstandings or lack of knowledge of the bank's new products by employees, as well as suggestions for clients on alternative service channels. In 2022, the program analyzed service processes and the role of employees in them. Attention was paid to quality client consultations.

In 2021, FUIB strengthened **the research and evaluation of customer experience**. Due to the pandemic and the war, in-depth interviews and testing were conducted online in Zoom, so we were able to take into account the opinion and experience of clients even from the smallest settlements in the most remote corners of Ukraine. Testing and evaluation, as well as the study of customer pain points, help to significantly facilitate and simplify the **customer journey** at different stages of interaction with banking products and services, identifying those processes and procedures that need to be changed and improved.

In 2021, we conducted a **massive customer re-identification campaign**. They raised many questions and objections due to a lack of understanding of the need and inconvenience. We developed clear answers for clients on the process of updating their personal data and posted them on the bank's website for free access. Thanks to research in 2021, a customer-friendly process for remote issuance and receipt of debit cards was developed, as well as the necessary functionality of the mobile application.

During the war, the **number of restrictions imposed by the NBU increased**, which led to an increase in the number of account blocking by the Financial Monitoring Department. The

research revealed a problem which is the customer's lack of understanding of why the account is restricted and how to act correctly. To improve the customer journey, we implemented a process of automatic PUSH/Viber/SMS notifications to clients about account blocking, reasons and a link to the page with the necessary information. Thus, the clients could familiarize themselves with the list of required documents and provide them to the bank in a convenient way - remotely or in a branch.

In 2021-22, FUIB **continued to systematically work on integrating a human-centered approach** into projects that significantly affect the overall customer experience. The bank uses design thinking to develop solutions within the framework of the bank's strategically important initiatives. In 2021, a qualitative service design study was conducted to assess the usability of the bank's website (branches/ATMs/SSTs section, information about the bank displayed on Google maps). The bank's webpage with addresses of branches and ATMs was updated, clients' requests based on complaints, suggestions and the research were taken into account, and an agreement with VISA was initiated to obtain information and display all ATMs in Ukraine on the website for clients' convenience.

Despite the war and the decline in NPS to 55% in 2022 (in 2021, the NPS level was 62%, according to the results of a regular study by InMind), **the bank ranks second in the market in terms of NPS.**

The bank's investments  
**in improving the customer experience:**  
in 2021 amounted to **UAH 10.8 million**  
in 2022 amounted to **UAH 3.6 million**



## PRINCIPLES OF LABOR RELATIONS

**Principle 3:** Businesses should support the freedom of association and real recognition of the right to conclude collective agreements.

**Principle 4:** Businesses should stand for the elimination of all forms of forced and compulsory labor.

**Principle 5:** Businesses should stand for the complete eradication of child labor.

**Principle 6:** Businesses should stand for the elimination of discrimination in the field of employment and occupation.

### Policy

FUIB is a responsible employer. In 2021, FUIB **provided new jobs to 2,474 Ukrainians**, and in 2022 - to **857**. At the end of 2021, the bank **employed 8,856 people**, at the end of **2022 - 6,828 employees**. During 2022, the year of war, the team shrank by 23%. The main reason for the reduction was voluntary resignation due to a change of residence, including moving abroad.

FUIB's employees include economists and financiers, people of intellectual and creative professions working in offices, branches, and points of sale. Employees are the main asset of the bank, the key to the sustainable development of the financial institution.

In the field of labor relations, FUIB adheres to the Constitution of Ukraine, the current legislation of Ukraine and supports the provisions of the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, adopted in 1998. FUIB adheres to high standards in ensuring decent and safe working conditions for employees and developing their professional qualities.

First Ukrainian Bank **operates in accordance with the principles of good labor practices and respect for human rights:**

- respect for and observance of the rights of employees;
- compliance with the current labor legislation of Ukraine;
- ensuring decent working conditions, competitive salaries and social protection of employees;
- development of the intellectual potential of employees.

**FUIB's Code of Corporate Ethics** states that absolutely all employees of the bank respect human rights and freedoms without any discrimination, regardless of gender, race, nationality, language, age, place of residence, religion or political beliefs. FUIB does not use child labor.

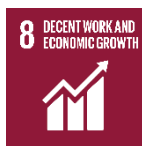
FUIB has established and operates a **labor safety management system** in accordance with the laws of Ukraine. Internal regulatory documents on occupational safety and health have been developed and approved, and those responsible for fulfilling occupational safety requirements at the head office and regional centers have been appointed by order.

The overall management of the occupational health and safety management system is carried out by the Deputy Chairman of the Management Board, who oversees this area of activity. To organize the implementation of legal, organizational, technical, sanitary, hygienic and medical preventive measures aimed at preventing accidents, occupational diseases and accidents in the work process, FUIB has established the Occupational Safety and Health Sector within the Bank's Operations Support Department.

In addition, the bank has developed and implemented: Procedure for Recruitment and Selection of Personnel, Personnel Training Policy, as well as other procedures that define approaches to recruitment, motivation, and training of employees.

## Implementation

### Equal rights and opportunities



A Collective Agreement is in effect in the Bank, where provisions on working conditions and wages, social benefits and guarantees are formulated. The collective agreement guarantees the protection of employees' rights and interests. All employees have equal rights and opportunities regardless of gender, race, age, place of residence, religion and political beliefs. All amendments to the Collective Agreement are discussed by the Staff Council with employees and are adopted at the staff meeting. In 2022, no changes were made to the Collective Agreement, and the 2021 version is still in effect.

At the end of 2021, the bank employed 6,628 women and 2,228 men (total number 8,856). FUIB has 664 (62%) female managers and 400 (38%) male managers. Among the managers of the bank's structural divisions, there are 67 (40%) women, 101 (60%) men. There are 3 (30%) women and 7 (70%) men in the Management Board.

In 2022, the bank employed 5,021 women and 1,807 men (total number 6,828), 743 female managers (68%), 354 male managers (32%). Among the managers of the bank's structural divisions, there are 69 (40%) women and 102 (60%) men. There are 3 (30%) women and 7 (70%) men in the Bank's Management Board.

In 2021, 333 people with disabilities worked at FUIB, and 856 employees were on maternity leave. There are 4,462 young people under 35 in the bank, 3,613 people over 35 years old, and 781 colleagues over 50 years old. In 2022, the bank employed 2,422 people under 35, 3,377 people over 35, 1,029 people over 50, 324 people with disabilities, and 1,033 colleagues were on maternity leave. In 2021-2022, the youngest age of FUIB employees was 18-19 years.

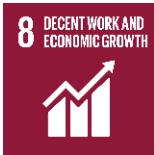
In 2021, 5,040 employees were **insured under the voluntary employee health insurance program** (a 19% increase over the year), and 414 colleagues were provided with accident insurance. In 2022, 5,345 employees were insured under the voluntary medical insurance program and 368 colleagues were insured under the accident insurance program.

The bank's social package also includes **financial support** in case of serious medical treatment of employees (inpatient treatment, surgery, oncology), treatment of children and death of close relatives, and family support in case of death of an employee. In 2021, 827 employees received financial assistance totaling UAH 4.4 million. In 2022, due to the war, the bank decided **to fully**

**support its employees.** Some of the bank's employees worked in dangerous regions and received a **salary supplement.** The bank provided **financial assistance to employees** in case of loss or damage to their homes, injury of employees and death of their family members as a result of hostilities, and in case of families leaving the occupied territories. In 2022, the bank **invested over UAH 139 million in employee support. More than 2,700 colleagues received assistance.**

FUIB's investments  
**in material support of employees  
during the war**  
in 2022 amounted to  
**more than UAH 139 million.**

### Labor protection



In 2021-2022, FUIB traditionally invested in **creating safe, healthy and comfortable working conditions.**

In 2021, the bank's occupational health and safety service checked for compliance with occupational health and safety requirements at regional centers, units where vehicles and equipment are operated, and where high-risk work is carried out. Measures were taken to improve the level of employee safety, fire safety, accident and emergency prevention, and their implementation was monitored.

For employees of the head office and regional centers that manage road transport, the bank funded an extended medical examination. FUIB's subdivisions conducted laboratory tests of workplaces for compliance with the law; tests for compliance of ladders, power tools, electrical protective equipment; measurements of insulation resistance, grounding of the power grid and equipment; maintenance of equipment. Health and safety briefings, training and knowledge testing of employees were conducted.

In 2022, an e-course on occupational health and safety was created for employees working remotely. Occupational health and fire safety instructions were updated. In connection with emergency power outages in the departments, briefings on occupational health and safety, safe operation of generators, as well as training in training centers on electrical safety, fire safety, and general occupational health and safety were held with the persons responsible for the safe operation of the installed generators.

Pre-trip, initial and periodic medical examinations of drivers were conducted at medical facilities. Premises and buildings were provided with fire extinguishers, their maintenance, and fire hydrants and fire hoses were serviced. The compliance of evacuation routes and exits, as well as emergency warning systems, was checked. Due to the war, medical tactical kits were purchased for the bank's units to stop bleeding and provide medical care in case of injuries.

One industrial accident was registered in both 2021 and 2022.

Employees of the labor protection sector are constantly working and interacting with state regulatory authorities in the field of labor protection, fire safety, ecology and the social insurance fund.

FUIB's investments  
**in labor protection and  
safety of employees:**  
in 2021 amounted to more than **UAH 16,5 million**  
in 2022 amounted to more than **UAH 7,9 million**

### Developing and training staff



In 2021, the online format prevailed in training, which allowed us to reach many more employees with training activities. The number of trainings held and those who completed the training more than tripled compared to the previous year. **1,500 employees** attended **3,113 external courses, trainings and conferences**. The bank's staff and internal trainers conducted **2,190 internal trainings**, attended by **5,450 employees**. Distance learning in various areas of activity was completed by 100% of the staff.

**Agile** became one of the most important areas of training in 2021. Training was conducted as part of the **Chapter Leads Development Program** for Product Owners. Regular webinars on the basics of Agile were open to all bank employees. **More than 350 managers** from various departments of the bank improved their management competencies at the trainings of the **Management School Management Development Program**. As part of the updated **Branch Management School development program**, **200 managers** attended **10 webinars** on various management skills. **50 heads of departments and divisions** took part in the **MiniMBA course**, where they gained in-depth skills and knowledge of risk management, leadership and financial management.

In 2021, FUIB continued to support managers in the **process of adaptation of new employees**. We launched an **Adaptation chatbot** where new employees can get information about the bank and send their questions to get a prompt response. The internal **Speaking club** continued its work, where bank employees could practice their English communication skills.

Even **during the war, the bank did not stop developing its team**. In 2022, employees were **trained on 248 unique topics**. **4,351 employees attended one or more trainings**, the total number of participants in the training events was 23,230, i.e. every employee attended an average of 5 training events of the bank.



FUIB **trained the teams of its branch network in first aid**. The training program was completed by 22 training groups (357 branch employees) in 10 cities of Ukraine. As part of the course, professional instructors of the control and rescue service "Pivnich" taught our colleagues the theory and helped them to practice their skills according to the NATO protocol - M.A.R.C.H.

The support program "**FUIB, keep going!**" support program includes the eponymous [Wewillsurvive fuib](#) Telegram channel, as well as webinars and trainings from external experts. The Telegram channel publishes useful information and advice from psychologists, as well as analytical information (news and forecasts from Ukrainian and foreign experts, economists, political scientists, etc.) The channel



was joined by **1,251 colleagues**. **25 webinars** were held with a total of **3,929** participants, discussing topical issues of psychological support, gaining skills in remote and crisis management, emotional literacy, etc.

**We initiated the Speak Ukrainian program** to support our colleagues who have consciously decided to switch to Ukrainian. The Telegram channel [Speak ukrainian](#) publishes useful information, Ukrainian lessons, tips and interesting facts. The channel has over **862** subscribers and is highly appreciated by colleagues. A series of online meetings called "**Live Talk**" is held, where people who have experience of switching to Ukrainian share tips and tricks, interesting, funny (and not so funny) incidents along the way, and inspire by own example. In addition to our colleagues, external speakers Yunona Lototska, Irma Vitovska, Sashko Lirnyk, Vache Davtyan, Orysia Demska, and others came to the live conversations and shared their experiences. The "Speak Ukrainian" program won the HR Brand 2022 Award in the "Recognition of the Professional Jury" nomination.



In December 2022, FUIB **has joined the initiative of the First Lady of Ukraine Olena Zelenska called "Self-Help Plus"** - a group stress management course developed by the WHO for adults who have suffered from extremely unfavorable circumstances. The skills to regulate own mental state that employees will learn in this course will help them use self-help approaches to overcome stress.

**The 'Svii Do Svoho Po Svoie' knowledge exchange program**, which was previously called Knowledge Sharing, continued. FUIB employees are involved as speakers who share useful information and skills in working with programs and applications. **19 webinars** were held with a total number 5,290 participants covering such relevant topics as: Life with LEAN in a time of war; artificial intelligence and Data Science; security of corporate devices in the face of modern threats; cyber hygiene and cyber warfare, etc.

**Leadership in Time of War** series of webinars was launched for managers. **26 webinars** were held with such speakers as: Valerii Pekar, Erik Naiman, Maryna Taran, Nataliia Baikalova, and others. They talked about the war for independence, the economy of Ukraine after the war, reactions and actions in a border crisis situation, empathic leadership in times of crisis, emotional exhaustion and burnout, etc.

In November and December, FUIB, together with DGM, Israel, implemented the **Leaders Development Sessions program**, in which managers listened to experts from various business segments from Israel and learned how Israel overcame similar difficulties during the war.

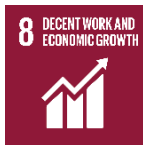
The **Management School** continued its work, with **11 trainings** of the first and second modules: basic management skills and adult leadership and teamwork. **At the online meetings of FUIB Speaking Club** at different levels, colleagues are actively improving their English speaking skills.

**FUIB's investments in employee development and training in 2021 amounted to UAH 17 million. In 2022, the bank invested more than UAH 6.9 million** in development and training - many training programs were implemented on a volunteer basis.



FUIB's investments  
**in the development and  
training of employees:**  
in 2021 amounted to **UAH 17 million.**  
in 2022 amounted to **UAH 6,9 million.**

### **Motivation and support of staff**



FUIB annually **revises salaries**. In 2021, the salaries of 7,897 employees were revised based on: bank-wide salary increase, minimum wage increase in January and December 2021, Career Development Program, transfer to another unit. As of 01.01.2022, the average salary in the bank amounted to UAH 26,199, as of 01.01.2023 - UAH 31,212 (an increase of 19%).

In 2021, FUIB had **48 permanent motivational programs**, including 19 with monthly bonus payments and 29 with quarterly bonuses. Moreover, for additional employee motivation, more than 20 one-time motivational programs were in place. As of the beginning of 2022, FUIB had 50 motivational systems in place. During the year, motivational programs were suspended, and by the end of the year, 46 motivational programs (92%) were renewed.

**Career development programs** for various categories of staff have been approved and are in place at First Ukrainian International Bank. In 2021, 2,089 people (+85% over the year) were promoted. In 2022, 778 people were promoted.

FUIB employees are granted **all types of vacations in accordance with the current labor legislation**. For the period of any vacation, the employee retains his or her position and salary.

FUIB as an employer creates space for development and opportunities for employees of different directions and levels of positions. [FUIB's career website](#) is a platform for communication with candidates for various vacancies. In 2021, FUIB was included in the rating of 50 Best Employers of Ukraine 2020 according to Forbes Ukraine magazine, taking the 11th position in the list. In 2022, FUIB retained its place in the TOP-50 best employers and took the first position among 5 banks.

The bank promptly informs employees about work and vital issues through all internal communication channels (*Pumb in touch* Telegram channel, corporate portal, *Pulse of the Bank* weekly newsletter and Yammer corporate social network). With the help of video messages from the bank's top managers, colleagues feel supported by management and receive answers to their questions. The bank also has an **HR chatbot** that helps employees get answers to their most pressing questions. During the war, the chatbot was used by volunteers to process more than 500 requests from colleagues (travel abroad, providing housing for a colleague, vacancies for displaced persons, support for mobilized people, etc.)

Every year, the bank holds a competition for the **Best Employee of the Year**, the winners of which go on an exciting trip abroad or receive a financial reward. The bank also implements an inspirational project for employees called **Client Is My Inspiration**. The team-building **FUIB Football Tournament** had to be postponed to the post-quarantine and post-war period.





FUIB is happy to **provide development opportunities for young people without work experience**. It offers paid training and in-house employment. In 2021, the team implemented a new free educational project - the **Analytics Academy** for Ukrainian students and graduates of technical universities. The project aroused great interest among students. Over 2,000 entry applications were submitted. The workshops were conducted by mentors - FUIB's leading experts in various fields of analytics, as well as professors of the Kyiv School of Economics (KSE). In one month, students gained practical skills in working with databases based on real cases with depersonalized data. 80 participants completed the pilot course and received the relevant certificates; 19 of them were invited to work in FUIB. It is planned to continue the project after the war.

In February 2021, FUIB **signed the Pact for Youth - 2025**. The bank has joined forces with other companies, the state and educational organizations to create internship programs and jobs to start careers of young people. The document also aims to facilitate the employment of university graduates by signatories and provide mentoring support for students. In 2021, FUIB provided jobs to 370 young specialists with no work experience. In 2022 it was 26 young specialists. The war slightly suspended plans for internships and employment for young people, but they will be resumed after the war.

In 2021, the bank introduced the **Psychological Support Service** for 3,000 employees for the first time. Since 2022, absolutely all employees have had access to the Service. At the beginning of the war, the service ceased to operate, but in the 4th quarter of 2022, cooperation with **Wellbeing** was resumed to provide a corporate psychological support service to FUIB employees. In the 4th quarter, employees received 104 individual psychological counseling sessions and everyone joined the "Strong Together" psychological support groups, which are held daily on working days and where they can discuss their problems, get answers from a specialist, and express themselves through helping others.

**140 employees** from the branches in the temporarily occupied territories and from the areas of active hostilities **were employed** in other divisions of the bank. During the war, **more than 100 employees** have been retrained and are now working in other divisions of the bank.

In addition, in November 2022, the bank established a **Mutual Aid Fund**. In November and December, 6 employees who found themselves in difficult life circumstances received financial assistance in the amount of UAH 210,000.

FUIB constantly studies the experience of employees in the bank. In 2021, **eNPS**, the level of employee loyalty, **increased by 28%** compared to 2020 (**69%**). In 2022, the **eNPS level remained high, given the difficult situation - 66%**. During the survey, colleagues noted that the bank has effectively responded to the challenges of wartime and made a significant contribution to supporting Ukrainian society. The bank supports its employees informationally, financially, motivationally and emotionally.

### **Corporate volunteering**

In 2021-2022, First Ukrainian International Bank continued to develop a culture of volunteering among its employees.

The **PUMBRUN running club** was created in early 2020 by a team of like-minded people. Its

purpose is not only the physical development of employees, the formation of a culture of healthy living, but also to help children who have suffered from a serious illness. All trainings and runs of FUIB team members are recorded in the Strava application, summed up and paid for. The bank pays for one workout – a run of above 3 km. Gradually the amount accumulates.

In 2021, our 170 runners had almost 6,000 training sessions. This is more than 46,000 kilometers of improved health and 120,000 hryvnias collected for the purchase of medicines for children with cancer. FUIB transferred these funds to the Tabletochki Foundation. The entire team of the bank added more than 142,000 hryvnias for the purchase of medicines by visiting the magical "Health Gift Shop" of Tabletochki Foundation for St. Nicholas Day.

In 2021, FUIB's team took part in the largest sports and charity project in Ukraine, the Chestnut Run, for the ninth time. The bank was represented by 100 volunteers. For the bank, this is an opportunity to promote healthy lifestyle among employees and help solve a social problem – providing modern equipment to a leading clinic - Center for Pediatric Cardiology and Cardiac Surgery - which corrects the most complex congenital heart defects in children from the first hours after birth.



On September 11, 2021, in order to support children with cancer, 100 FUIB volunteers ran offline and online in different parts of Ukraine. DobroRun is supporting children with cancer on their way to victory. The bank's team contribution amounted to UAH 50,000. All funds raised within the project were transferred to the Tabletochki Foundation.

In 2022, due to the war and the danger of training under constant shelling, the Running Club temporarily suspended its work.

Our **blood donation tradition** is 7 years old. 7 years of employee involvement in shaping the culture of blood donation in Ukraine. In October-November 2021, FUIB held its first online Donor Day. Colleagues donated blood all over Ukraine, on a convenient day and time. The COVID-19 pandemic has exacerbated the problem of blood shortage in Ukraine. The number of donations has decreased due to people's fear of contracting the Coronavirus, quarantine restrictions, donors' Coronavirus disease, and the necessary recovery period. PUMB employees tried to change the situation for the better by donating blood on a convenient day and time all over Ukraine. As part of the Online Donor Day, 63 employees of the bank became donors. Our colleagues helped 189 Ukrainians and donated 28.4 liters of blood.



a blood transfusion can save lives.

In November 2022, FUIB held **the Donor Day as part of the social project *We Are of the Same Blood***. 50 employees, including 2 members of the Management Board, donated 22 liters of blood for the wounded. 150 defenders got a chance to live. The Amosov Institute's medical team and the Blood Agents NGO came to the bank for the on-site donation. Blood is very much needed in war. Massive bleeding is the most common and frequent cause of death in combat zones. Stopping the bleeding and making

Traditionally, in the fall, FUIB **makes greener** the territories of its business presence in different regions of Ukraine. In 2021, eco-activities were held in Kyiv, Odesa, Bilhorod-Dnistrovskiy, Kamianske, Dniprorudne, Kherson, Chornomorsk, Pervomaisk, Nova Kakhovka, Kharkiv, Lviv, Pershotravensk, Mariupol, Berdiansk, and Kurakhovo. 130 PUMB employees planted 335 trees and 175 bushes. Eco-activities are an opportunity not only to make your hometowns greener, but also to strengthen the team. In 2022, no clean-ups were held due to the danger (finding remnants of explosive devices).

At the beginning of the war, in February 2022, the bank's initiative group created a **Coordination Center for the resettlement of employees in Western Ukraine and the provision of necessary assistance**. The Center's team supported all interested employees by phone, in the Telegram chatbot, and in the volunteer community. Volunteer employees from different regions together processed more than 1,450 requests. Assistance was provided to Ukrainian families in difficult situations, to the military, and to hospitals.



The bank created the **FUIB Mobilized Employees Assistance Fund** to raise funds for the needs of our defenders. Together, we provided assistance to 142 mobilized employees, husbands and sons of our female employees for UAH 1.9 million. We purchased tactical clothing and footwear, protective gear, sleeping bags, backpacks, uniforms, first aid kits, etc. The bank purchased Israeli bulletproof vests for colleagues for UAH 1.3 million. The mobilized colleagues continue to receive full salaries and retain their positions. All of them will be reemployed after returning from the front.

The bank's Management Board supports the volunteer initiatives of employees by financing organizational measures for their implementation: providing premises, transportation of employees, purchase of auxiliary materials, etc. Employees can volunteer during working hours, as agreed with their manager. In 2022, a competition was held among volunteers and the best volunteer was selected and awarded along with the best employees of the year.



## ECOLOGICAL PRINCIPLES

**Principle 7:** Businesses should support the approach to environmental issues, which is based on the precautionary principle.

**Principle 8:** Businesses should undertake initiatives aimed at the increase of responsibility for the state of environment.

**Principle 9:** Businesses should promote the development and distribution of environmentally friendly technologies.

### Policy

Efficient use of natural resources and reduction of environmental impact are important conditions for successful business development and decent life. We strive to use electricity, water, paper rationally and to minimize the environmental impact of our business.

FUIB complies with national legislation in the field of environmental protection. The bank pays much attention to the development of ecological culture among bank employees, partners, and clients.

### Implementation



When implementing innovative technologies into business processes and customer service, FUIB **supports "green" standards** and makes its contribution to the preservation of the environment.

**Not only are self-service systems in the bank** convenient for customers and profitable for business, but they are also beneficial to the environment. FUIB provides clients with the possibility to be served remotely in mobile banking and in self-service terminals. This is a significant economy of natural resources and energy that would be required for the operation of the branches. In 2021, 1.2 million customers actively used FUIB's online banking (+66% for the year). In 2022, the number of active users of the convenient application remained the same.

FUIB employees make efforts to preserve the environment every day:

- apply the **principles of the "Green Office"**: save energy and paper, make optimal use of equipment, use electronic document management procedures, and collect waste paper;
- participate **in environmental initiatives**.

In 2021-2022, FUIB continued to work on **energy conservation**. At the head office, the following was carried out: replacement of traditional lighting sources with energy-saving (LED) ones; insulation of premises and sealing of windows, doors and roofs; installation of equipment for regulating the heat supply to existing heating devices. LED panels consume 2.5 times less electricity, do not contain harmful substances and have a long service life of up to 30 thousand hours. When new branches were opened, ventilation equipment with recovery was installed, which returns up to 70% of the heat from the exhaust air, which saves electricity. The total electricity consumption in 2021 decreased by 406,751 kWh compared to the previous year. Electricity consumption in 2022 decreased by 1,042,731 kWh compared to 2021. Significant savings were

achieved by meeting the requirements of light masking, disabling outdoor advertising, as well as by losing some branches or suspending their operation.

In 2021, the bank **handed over for recycling** 93.7 tons of paper (a 36% reduction in paper use over the year). In 2022, 81.5 tons of paper were recycled.

In 2021, **FUIB transferred 10.6 tons of hazardous waste for recycling**, as well as 0.2 tons of plastic bank cards (reduction of plastic by 87% over the year, including through the introduction of virtual cards). In 2022, the bank also transferred 0.2 tons of plastic for recycling, and 5.2 tons of hazardous waste for disposal.

In 2021-22, the bank's head office **continued to collect used batteries**. In total, 12 kg of batteries were collected and transferred for recycling in 2021. In 2022, few batteries were collected due to the war and were not transferred for recycling.

**The bank invested UAH 700,000 in household waste collection and hazardous waste disposal in 2021 and UAH 428,907 in 2022.**

The bank's investments  
**in environmental protection:**

in 2021 amounted to **UAH 700,000**

in 2022 amounted to **UAH 428,900**





## ANTI-CORRUPTION

**Principle 10:** Businesses should stand against all forms of corruption, including extortion and bribery.

### Policy

In 2022, our bank updated **FUIB's Code of Corporate Ethics**, which takes into account the best practices in the field of corporate culture and ethics, as well as the requirements of the National Bank of Ukraine. The Code defines the basic principles of doing business. One of the declared principles is "rejection of bribery and combating corruption". All principles, requirements and standards of the Code of Corporate Ethics are binding on all employees of the bank.

**The Anti-Monopoly Compliance Policy**, the main purpose of which is to prevent the occurrence of violations in the field of competition law on the part of responsible divisions of the bank, and **Procedure for the provision of control over the use of protected information**, which promotes preservation of sensitive data, were approved in the bank in 2014, and updated in 2022.

In 2016, FUIB adopted the **Anti-Corruption Program of FUIB JSC** and in 2019, it improved it. The Anti-Corruption Program establishes a set of rules, standards and procedures for identifying, counteracting and preventing corruption and is applied in all areas of the bank's activities.

**In 2021-22, FUIB did not record any facts of criminal prosecution of employees in connection with corruption violations.** The methodology of combating corruption is conservative, the main measures are training, responding to requests from customers and bank staff, and verifying the validity of charitable assistance.

### Implementation



Following the recommendation of the UN Global Compact regarding the submission of reports about actions and initiatives that have been taken to combat corruption in accordance with the two levels of responsibility (basic reporting elements and desired reporting elements) FUIB has chosen to report by basic reporting elements (B1-B7).

#### Reporting Element B1: Public statements to fight corruption

**Rejection of bribery and fight against corruption** is one of the fundamental principles of doing business in FUIB, which is recorded in the Code of Corporate Ethics of the bank. FUIB opposes any attempts of bribery and corruption in order to get additional competitive advantages. The Bank rigorously observes the rules for the selection of suppliers without giving unreasoned preference to anyone of them.

#### Reporting Element B2: Commitment to be in compliance with relevant laws

One of the principles of the Code of Corporate Ethics of FUIB is the **legitimacy and supremacy of law**. The bank carries out its professional activities on the basis of rigorous observance of the Constitution of Ukraine, current legislation of Ukraine, international legal standards, regulations of the National Bank of Ukraine and internal bank documents.

The Anti-Corruption Program of FUIB was developed in accordance with the Constitution of Ukraine, the Law of Ukraine "On Counteracting Corruption" and other anti-corruption legislation. In accordance with order No. 171 of 22.04.2016, the Deputy Chairman of the Bank's Board, to whom the Security Department is subordinate, was appointed Commissioner for the implementation of the anti-corruption program. He develops, maintains the Bank's Anti-Corruption Program up to date and reports annually to the Management Board and the Supervisory Board on the results of its implementation.

**Compliance function is in effect** in our bank, that is, independent activities within the framework of the internal control system, providing risk management of regulatory sanctions, financial losses, reputational losses resulting from the non-compliance with legislative regulations, provisions of internal documents, standards of fair competition, conflicts of interest, non-compliance with the requirements of corporate ethics.

In 2022, from the first day of Russia's large-scale invasion, the National Bank of Ukraine introduced a number of restrictions aimed at preserving the economy, curbing the rapidity of inflation, preventing the depreciation of the national currency and the outflow of funds abroad, and preventing any cooperation with the aggressor. In particular, the following was established:

- a ban on the circulation of Russian and Belarusian rubles;
- a ban on servicing and establishing business relations with individuals who are citizens of Russia and Belarus, legal entities where the ultimate beneficial owners are citizens of Russia and Belarus;
- limits were set on cash withdrawals, cross-border transactions, and restrictions on early termination of deposit agreements for certain categories of depositors;
- restrictions were set on the purchase and sale of foreign currency by both individuals and legal entities;
- requirements to the organization of branches and strengthening of business continuity (availability of generators and additional communication channels).

The Bank ensures compliance with all NBU requirements introduced for the period of martial law. In the field of consumer protection, FUIB has a mechanism for assessing customer and employee satisfaction - NPS\NPS, which provides, among other things, a proactive response to negative factors in the bank's activities. Despite the war, both indicators remained at a high level.

#### Reporting Element B3: Implementation of the commitment to anti-corruption

The corresponding regulatory document is in effect in FUIB, which is aimed at preventing conflicts of interest and violations related to the procurements from outside suppliers – **a procedure for the selection of contractors, which provides transparency and openness of procurements, was adopted and kept updated.** Requirements and results of tenders and competitions are published on the corporate portal. The Tender Commission, which selects suppliers on the basis of tender documentation provided by tender participants, was created in FUIB. Internal requirements document regulating the work of the Tender Commission, the procurement procedures and the selection of suppliers are being updated constantly. The Bank's Management Board approved the Regulation "On the Third Party Risk Management System", which functions within the framework of the overall operational risk management system.

Procedure for **Declaration of External Activities of the Personnel** functioning in the bank since 2012 was updated in 2022. It is established there that employees shall necessarily inform the bank about their external activities (founders, owners, shareholders, top managers of other companies).



This information is analyzed and it is determined whether or not conflict of interest exists between the employee, the bank, its customers and counterparties.

In addition, since 2012, the bank has had in place, and in 2022 updated, the **Procedure for Giving and Receiving Gifts and Invitations**, which is also aimed at preventing and resolving situations of conflict of interest, including the prevention of corruption and bribery.

In 2021-22, within all the applications to the Trust Line, no applications containing information about potential corruption actions of bank employees were recorded.

#### *Reporting Element B4: Support by the organization's leadership for anti-corruption*

FUIB's leadership shares ethical principles and management approaches recorded in corporate documents and participates in the improvement of internal regulations.

**The Ethics and Business Conduct Committee**, which is comprised of the top managers of the bank, was created and operates in FUIB. Chair of the Committee is the Director of Human Resources. In 2022, the version of the Regulations on the Committee for Ethics and Business Conduct of FUIB JSC was revised. The main objective of the Committee is to ensure the implementation in FUIB of uniform standards and principles of the SCM businesses in the field of corporate ethics and business conduct.

Scope of duties of the Committee includes:

- reaction to the appeals concerning violations and control over the compliance with the Code requirements;
- development of recommendations to improve bank's business ethics;
- organization of monitoring of the impact of business ethics standards on the corporate culture of FUIB.

FUIB has an **effective corporate governance system** based on maintaining a balance of interests of all stakeholders, relations between shareholders and third parties, openness of business activities and information transparency, equality and objectivity in decision-making.

The Supervisory Board and the Management Board support policy that rejects bribery and corruption and call on all staff to act in the interests of the bank, its owners (shareholders), clients and society, as well as to safeguard the trusted resources, prevent abuse of rights and powers. Investigation of suspected bribery and corruption is carried out regardless of the level of risk involved, the position/office of the employee or the level of relationship with FUIB.

In accordance with the recommendations of the Basel Committee on Banking Supervision, in 2011 the bank formed the Compliance Control Section (since 2016, it is the Compliance Control Department), which ensures the performance of the compliance function and reports to the Management Board and the Supervisory Board of the bank, which ensures a high degree of involvement of the management.

FUIB annually and on an ongoing basis implements changes in the internal control system, risk management system (including compliance risks) in accordance with the current legal requirements.





*Reporting Element B5: Provision of information and training employees in anti-corruption principles and standards of conduct*

In order to inform employees about the ethical principles and implemented instruments to fight corruption, FUIB uses **a variety of communication tools**:

- informing through internal corporate publications - intranet portal, Yammer corporate social network and Telegram channel;
- placing documents for public access in the electronic document management system.

All bank employees regularly undergo **Compliance and Compliance Function in the FUIB JSC** training. This training course contains detailed information concerning the current procedures in the field of compliance control, including with regard to fighting corruption. In 2021 and 2022, the e-course on compliance was updated, and more than 86% and 81% of the bank's staff passed it, respectively.

In addition, in order to increase the level of knowledge of the anti-corruption legislation of Ukraine, the international norms in the field of combating corruption by non-state legal entities and FUIB's Anti-Corruption Program, an e-course for anti-corruption personnel was developed and implemented. In 2022, 98% of the staff completed this training course.

*Reporting Element B6: Internal processes providing the sequence of actions to fight corruption*

The following internal processes are implemented in FUIB to provide the compliance with corporate ethics and prevention of corruption:

- **The Trust Line.** A single Trust Line has been working in FUIB and in all other companies of the SCM since 2013. It helps to react promptly and efficiently to violations of corporate ethics principles, abuses, machinations and corruption. Employees, suppliers and partners can call the Trust Line and report violations they come across when working with the SCM companies.
- **Compliance function.** The compliance function in the bank is provided by the Compliance Control Department, which is headed by the Head of the Department (CCO)
- **Financial and economic security.** A special division, which is involved, among other things, in detecting corruption and counteracting it, operates within the Bank's Security Department. Deputy Chairman of the Bank's Board, who is the curator of the Security Department, was appointed the Commissioner for the implementation of the Anti-Corruption Program in the Bank.
- **Operational risk management system.** The bank has implemented a Risk Management Policy and operates an Operational Risk Management System. In it, risk officers (employees assigned by the Order in each FUIB subdivision or branch) on an ongoing basis provide the fixation of information about the facts of operational and compliance risk realization, including revealed facts of corruption, fraud in all its manifestations, deliberate actions by staff or third parties. According to the information obtained, the Security Department is investigating and developing measures to prevent the recurrence of similar facts in the future.

FUIB has implemented a **zero fraud tolerance policy**. The Supervisory Board and the Management Board support zero fraud tolerance policy and call on all staff to act in the interests



of the bank, its owners (shareholders), clients and society, as well as to safeguard the trusted resources, prevent abuse of rights and powers. The fraud/suspected fraud investigation is conducted regardless of the level of risk involved, the position/office of the employee or the contractor's relationship with FUIB.

*Reporting Element B7: Monitoring and improvement processes*

FUIB pays much attention to the monitoring and improvement of anti-corruption processes and programs.

Compliance Control Division, as well as the Commissioner for the implementation of the Anti-Corruption Program involved in the process of fighting the manifestations of corruption, regularly report to the Management Board and the Supervisory Board of the bank on the results of work.

Effectiveness of anti-corruption processes is monitored by analyzing the statistics of messages received by the Bank from various sources.

Bank employees involved in the anti-corruption process regularly improve their professional skills by participating in training events and specialist conferences.