

Progress Report

of JOINT STOCK COMPANY

“FIRST UKRAINIAN INTERNATIONAL BANK”

for 2023



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

Dear Ms Ojiambo,

By joining the UN Global Compact in April 2013, JOINT STOCK COMPANY “FIRST UKRAINIAN INTERNATIONAL BANK” (FUIB) declared its commitment to the 10 principles of the UN Global Compact in the areas of human rights, labour, environment and anti-corruption, and started implementing the sustainable development principles in its daily activities.

FUIB has been publishing a Progress Report for all stakeholders since 2015. 2023 was a year of hardening, a confirmation of professionalism and demonstration of team unity. FUIB managed to maintain its leading position in the market by all key indicators. In 2023, FUIB focused on the digitalisation of its own products. FUIB invested UAH 649 million in the development of Digital direction, and another UAH 421 million in the stability and security of the IT infrastructure: software, servers, new licences, and network equipment. This allowed us to increase the share of digital customers to 60% (+20%) over the year. FUIB also moved its data centre to Europe to ensure the stability of its services. In addition, generators were installed in the data centre, in branches and offices.

According to the CBR research company, the level of trust in the FUIB brand has increased: the bank significantly improved its position, rising from 6th place to 4th in 2023. Ukrainians have marked FUIB as a bank they trust and are ready to cooperate with. Also, according to the results of an external study of customer loyalty by InMind, FUIB is among the TOP 3 market leaders in terms of NPS.

At the moment, FUIB exceeds the NBU’s liquidity ratios by 2 times and capital adequacy ratios by 2.5 times. This underlines FUIB’s financial stability and readiness to overcome new challenges.

For 33 years, FUIB has been doing business responsibly, investing in the harmonious development of the financial institution – realisation of business opportunities, obtaining high financial results and strengthening positive social impact. In 2023, funding for social initiatives reached over UAH 243.9 million. The main efforts were made to support employees and customers, defenders, business and the state, help the wounded and promote blood donation. In the Progress Report, you will learn about our specific actions during 2023.

FUIB is a systemically important bank of Ukraine, authorised to store cash of the National Bank of Ukraine, a reliable partner for customers, individuals and companies. Even in times of war, the bank fully fulfils its obligations to partners, customers, employees and the state; it supports its stakeholders in difficult times. FUIB maintains a balance of sustainable development of business, team and society.

Serhii Chernenko,
Chairman of the Management Board of JSC “FUIB”



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ABOUT FUIB

First Ukrainian International Bank is a large and reliable private bank, the same age as independent Ukraine, which has been operating in the Ukrainian financial market for 33 years, providing high-quality banking services to its customers and constantly improving its service. FUIB is among the ten largest banks in Ukraine by key financial indicators. FUIB is a universal bank, whose activities are focused on commercial, retail and investment banking operations. FUIB strives to become the bank of first choice for both private individuals and corporate customers: a financial advisor and assistant that understands the needs and objectives of the customers, anticipates their expectations, and offers effective solutions. The dominant controlling stake in JSC “FUIB” is owned by the investment company SCM Holdings Limited Company. 100% of the shares of SCM Holdings Limited are owned by the sole shareholder – R.L. Akhmetov.

In 2023, FUIB was recognised as a leader in several nominations of the rating “Banking Resilience. First-Half of 2023”, compiled by the Association of Ukrainian Banks. FUIB received honorary awards among banks with private capital for “Banking Support to Business” in terms of the volume of loans issued to legal entities and as “Reliable Partner of Ukrainians” in terms of the volume of loans issued to individuals.

In April 2023, the leading Ukrainian media NV and the investment company Dragon Capital presented the rating of sustainability of Ukrainian banks “TOP-15 Most Sustainable Banks of the Country”, which identified the most reliable financial institutions in the country, trusted by depositors and experts. FUIB was ranked 2nd among financial institutions with private Ukrainian capital and 11th in the overall list of banks.

The experts of the FinAwards 2023 award recognised FUIB in 5 nominations at once. The bank received two gold awards in the categories: “Best Payment Card” for the vseKARTA debit card and “Best Credit Card” for the vseMOZHU credit card. Also, the bank received silver in the nomination “Best Bank for SMEs”.

FUIB received the STP Award from Commerzbank AG (Frankfurt, Germany), one of the largest banks in Germany and one of the world’s TOP-50 banks in terms of assets, for the highest level of STP processing of commercial and interbank payments.

FUIB took leading positions in three nominations of the rating PaySpace Magazine Awards 2023. FUIB’s online loan “vseBUSINESS” in the amount of up to UAH 750 thousand was awarded silver in the nomination “Best Loan Product for Business”. The bank also took third place in the “Best Cross-Border Transfer Service” nomination and was included in the list of the best banks for individual entrepreneurs for the most convenient service for servicing accounts of individual entrepreneurs.

The bank received 6 awards in the annual rating “25 Leading Banks of Ukraine”. FUIB was recognised as the best in the categories “Servicing Individuals in Branches” and “Salary Projects”. At the same time, we received personal awards: Serhii Chernenko as the best top manager of the bank, Serhii Mahdych, FUIB’s Deputy Chairman of the Management Board, as the best corporate banker, and Nataliia Kosenko, FUIB’s Deputy Chairman of the Management Board, as the best chief operating officer of the bank.

FUIB entered the TOP-50 best employers in wartime according to Forbes Ukraine magazine and was ranked first among 5 banks.



FUIB became the winner of the annual professional award 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 has shown leadership in the digitalisation of corporate banking. The bank is recognised as a company that is developing in the ESG area and has significant achievements in the development of socially responsible business and charity.

Also in 2023, FUIB was recognised as the winner in the “Social Marketing” nomination for the social project “We Are of the Same Blood” at the X-RAY marketing project competition. The best projects were selected by the online reader community and an expert jury.

The expert organisation CSR Ukraine and the business publication The Page conducted a study of the sustainability of Ukrainian business during the war. FUIB took the 7th position in the CSR Index with 68 points and became the second bank in the sustainability rating. In total, 30 leading companies of the country took part in the CSR Index 2023, filling out questionnaires based on the 5-component model of CSR in wartime: Business Continuity and Taxes, Employee Safety, Combat Capability, Unity, and Community.

FUIB became a finalist in the “Partnership for Sustainable Development 2023” competition of the UN Global Compact in Ukraine. FUIB with its social initiative “We Are of the Same Blood” was announced the winner in the nomination “Warriors of Light”.

The Bank won in 2 nominations of the PR-case competition of MMR.UA publication: “PR Campaign for Victory” and “Communication in Social Networks”. 2 FUIB social initiatives were recognised as the best communication projects of 2023: the Independence Day initiative “We Send Our Warmest Greetings” to raise funds for 33 powerful Ukrainian-made UAVs (financing of the Ukrainian defence industry to protect our country) and the project on gentle Ukrainisation “Bezumovna Pidtrymka”.



RESPONSIBILITY OF FUIB

First Ukrainian International Bank is part of SCM's business and operates as a responsible business. Through its activities, FUIB not only ensures sustainable financial results, but also contributes to the social and economic growth of Ukraine.

In 2013, the bank implemented its Corporate Social Responsibility Policy and became a member of the UN Global Compact. In February 2018, FUIB adopted the Sustainable Development Strategy, which replaced the Corporate Social Responsibility Policy. In December 2023, the bank adopted the "Sustainable Development Declaration of JSC "FUIB", which defined the strategic goals, principles and organisational structure of the bank's sustainable development. The key priorities of the bank are the welfare and development of employees, quality of products and services, development of local communities and business environment, minimisation of negative impact on the environment, and financial literacy of the population.

In 2023, FUIB's Code of Corporate Ethics was updated, which formulated the bank's ethical principles and values, considered the new requirements of the National Bank of Ukraine and added the basic principles of sustainable development.

In 2023, due to the full-scale war, the bank also focused on supporting Ukrainian defenders, helping the wounded and blood donation, and safe and quality education.

In early 2024, the bank revised its values for its team. FUIB's updated corporate values reflect the principles of doing business and interaction within the bank's team: responsibility, customer focus, teamwork, ambition and efficiency.

FUIB has created safe and comfortable work environment for its employees, and has professional and career development programmes in place. FUIB is constantly improving the quality of its customer service. The bank is an active participant in projects aimed at solving social problems of Ukrainian society. By developing the business environment and partnerships, fighting corruption and improving the financial literacy of the population, we invest in the future of our country.

**FUIB's investments
in sustainable development
in 2023:
over UAH 243.9 million**



SUSTAINABLE DEVELOPMENT OF FUIB

In December 2023, the Bank adopted the “Sustainable Development Declaration of JSC “FUIB”, which defined the strategic goals, principles and organisational structure of the bank’s sustainable development. The key priorities of FUIB are the welfare and development of employees, quality of products and services, development of local communities and business environment, minimisation of negative impact on the environment, and financial literacy of the population.

FUIB’s Sustainable Development Declaration is in line with the common principles and approaches to sustainability for all SCM companies declared in the Principles of Business Ethics “This is How We Work” and the Sustainable Development Policy of SCM businesses. All SCM companies follow these approaches in all aspects of their operations: in strategic planning, project implementation, and at all levels of management.

The Bank supports the 17 UN Sustainable Development Goals and implements them in its operations by integrating these goals into three main components: environmental, social and governance (ESG).



FUIB’s key objectives in the field of sustainable development:

Act systematically. The concept of sustainable development is integrated into the business strategy and is taken into account in the planning and implementation of all bank projects.

Work effectively. We apply modern approaches to doing business, constantly improve processes and methods of doing business, use resources efficiently and look for new opportunities for business development, minimising the use of exhaustible resources.

Respect the interests of partners, customers and society as a whole. We respect the interests of our partners, customers and society as a whole and build relationships with them based on the principles of decency, honesty, openness and mutual trust.

Ensure decent and safe working environment. We recognise our employees as our most important asset and provide them with safe working environment, decent salaries and social benefits.



Respect human rights. We respect and observe human rights and freedoms and do not tolerate discrimination.

Improve the quality of life in the regions where we operate. The Bank is a responsible financial institution that invests in improving the quality of life in the regions where it operates and contributes to the sustainable development of Ukraine.

Strive to prevent and reduce negative environmental impact. We strive to continuously reduce our negative impact on the environment and carry out responsible financing.

In December 2023, FUIB approved the “FUIB’s Sustainable Development Strategy for 5 years”, which is aimed at:

- promoting the comprehensive development of the bank as a sustainable business that is fully aware of its responsibility to all stakeholders;
- complying with the legislation of Ukraine in the field of sustainable development;
- ensuring a unified approach to the management of the environmental and social management system;
- preventing and minimising negative impact on the environment in terms of responsible consumption;
- ensuring open and transparent communication on sustainable development issues.

In its Strategy, FUIB has consolidated its aspirations to support the UN Sustainable Development Goals by setting 10 main objectives and 31 qualitative indicators for measuring the achievement of these objectives for 2024.

In 2024, FUIB will measure the achievement of the goals through regular monitoring of ESG indicators.

FUIB has appointed members of the Management Board responsible for the areas of sustainable development: human rights; labour law/decent work; environment; combating corruption.



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

PRINCIPLES OF HUMAN RIGHTS

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

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

Policy

First Ukrainian International Bank supports and respects the protection of human rights proclaimed at the international level and enshrined in the Universal Declaration of Human Rights adopted by the UN General Assembly. FUIB respects and observes human rights and freedoms without any discrimination, regardless of gender, race, nationality, language, age, place of residence, religion or 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. In 2023, the Code was updated and the basic principles of sustainable development were added. FUIB is committed to promoting environmentally healthy and sustainable development of society. The Bank recognises that environmental and social sustainability is a key aspect for achieving high performance. In its activities, the Bank adheres to the principles of sustainable development ESG: responsible attitude to the environment (E – environment); social responsibility (S – social); high quality corporate governance (G – governance).

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

FUIB's principles of corporate ethics
1. Honesty and good faith in relations within the bank
2. Honesty and good faith in relations with colleagues
3. Honesty and good faith in relations with shareholders and investors
4. Decency in relations with customers, business partners and other stakeholders
5. Decency in relations with competitors
6. Respect for the individual and observance of human rights
7. Transparency and openness
8. Rejection of bribery and combating corruption
9. Sustainable development and social responsibility
10. Legality and the rule of law
11. Compliance with the risk management culture



The Bank refrains from implementing any decisions and projects that may lead to a violation of the current legislation of Ukraine, violate the principles of public morality and ethics. The Bank strives to ensure that the local communities in which it operates and contributes to their social and economic development perceive it as a partner. FUIB actively develops corporate volunteering.

Implementation

Corporate ethics



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

Since March 2014, FUIB has joined the Trust project, which aims to promote and strengthen the norms and standards of business ethics in all SCM companies. The hotline is the only direct feedback channel where every employee can report violations of the Code of Corporate Ethics of SCM companies, including FUIB.

In case of detection of violations of corporate ethics in our bank, employees contact the Bank's Compliance Control Department or contact the Hotline.

In 2023, the Hotline received 20 calls (which is 0.29 calls per 100 employees of the bank as of 01.01.2024), of which 15 reports were not confirmed. The vast majority of cases are related to possible violations of HR policies and procedures – 8 reports, of which 6 were not confirmed. All cases were reviewed and resolved in a timely manner, and no repeat complaints or appeals were received.

SCM's hotline:

0800-60-0777

(all calls are free within Ukraine)

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

FUIB's Compliance Control Department monitors compliance with the principles of integrity in customer service, observance of bank secrecy, compliance of products and services offered by the bank with customer expectations. In addition, the Compliance Control Department ensures control over the accuracy, completeness, objectivity and timeliness of information provided by the bank in accordance with the regulations to public authorities, partners, customers and the public.

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



In 2023, the bank implemented the following major innovations in Ukrainian legislation: transition to the new generation EPS standard (ISO 200220); implementation of reporting for the international standard for the automatic exchange of information on financial accounts (CRS reporting standard), strengthening of information security and cyber defence, changes in the requirements for determining the amount of credit risk (banks take into account the criteria for classifying/terminating the debtor's default that arose during martial law), additional requirements for informing customers about the provision of financial services, requirements for consumer protection, improved organisation of corporate governance.

FUIB pays considerable attention to checking the business reputation of suppliers, identifying those who may have a negative impact on society. Reputation checks are carried out by the Security Department using open state registers and the YouControl system. The Security Department has also automated the process of checking the business reputation of the bank's counterparties by implementing API integration with the SmartTender platform and OpendataBot for automatic data retrieval. In 2023, the business reputation of 3,352 participants in procurement procedures was checked, and negative information was found in relation to 64 participants, and the relevant work was carried out in accordance with the bank's procedures.

Since the beginning of Russia's military aggression, FUIB 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. Since 2022, FUIB has checked all its suppliers and refused to cooperate with some of them. In 2023, new criteria for selecting suppliers in procurement were introduced. One of them is that the supplier or counterparty should not have any connection with the russian federation or the republic of belarus. In addition, another criterion is the absence of markers in the approved matrix of stop factors for the bank's counterparty risks. This is important to ensure the safety and reliability of transactions with parties that do not have potential problems or risks. In addition, when the facts of customer involvement in collaboration are confirmed (activities in the temporarily occupied territory, connection with russia/belarus), the information is transferred to the Financial Monitoring Department for blocking accounts.

Development of the business environment



In 2023, First Ukrainian International Bank actively implemented projects aimed at developing the business environment and supporting businesses.

Payment of taxes

Despite the losses caused by the war, FUIB still **pays all taxes on time**. In 2023, the bank **transferred more than UAH 2.79 billion to the state budget**. This is 74% more than last year. FUIB is among the **Top 5 largest taxpayers** in the banking sector.

Business continuity plan

FUIB has had a business continuity plan since 2011, when the bank created the Business Continuity Management System (hereinafter referred to as the BCMS). Business continuity plans are reviewed annually, adapting them to new realities and threats. The bank was preparing for a large-scale war in advance, and additional response plans were developed to take into account growing



military threats. The bank has clearly defined approaches to critical staff management to ensure the continuous performance of critical functions and processes, while ensuring maximum care for the safety of the bank's staff. An additional communication channel for the BCMS was created based on a chatbot in Telegram. FUIB guarantees the continuity of its main processes.

In 2023, the bank continued to adapt its BCMS approaches, taking into account the experience gained during the full-scale war. During the war period, the bank promptly responded to other emerging threats: blackouts and Internet outages (providing NGOs, branches and critical staff with generators and starlinks), cyber threats, threats to staff (the ability to work online from safe locations, the ability to work in an office with guaranteed power supply and satellite Internet, assistance in evacuation, etc.)

Business support



FUIB constantly monitors the course of events in the country and analyses the situation of its customers in order to provide timely support to Ukrainian business under any circumstances.

Financing of Ukrainian business

FUIB actively provides loans to finance the development of all business sectors in Ukraine. By the end of 2023, the bank's loan portfolio grew by +25%, despite the general trend in the banking market for its decline by -3%. The growth of the portfolio confirms that FUIB supported Ukrainian business even more strongly during the second year of the war. The loan portfolio grew by UAH 8.8 billion across all segments of the bank's corporate business.

FUIB ranks 3rd among the banks under the state support programme 5-7-9 in terms of the amount of funds disbursed. Supporting the agricultural sector and its financing has historically been a priority for FUIB. The bank became the 4th bank in the system in terms of agricultural lending and increased its portfolio in this area by 70%.

In 2023, the bank financed (extended) loans to large business customers for a total amount of UAH 13.1 billion. Of this amount, UAH 4.98 billion was provided to the agricultural sector, UAH 4.57 billion to light industry, and UAH 2.60 billion to heavy industry. The Bank provided free advice to its customers on all issues arising. One of the priority areas for the development of large corporate business in 2023 was the Defense Tech industry, whose customers the bank began to actively attract in July 2023, providing advice, financing and support for all products and issues (financing of Ukrainian defence industry production for the defence of our country). In 2023, limits (over UAH 500 million) were opened for the avalisation of tax bills for customers in strategic industries. Large corporate businesses provided financing to many Ukrainian enterprises within the existing factoring limits (over UAH 2.1 billion). We provided loans to UFHC, a state-owned entity that finances the yeOselia state programme with the funds raised (UAH 500 million). We provided individual limits of contract financing or guarantees to companies that fulfil social orders of international organisations such as UNICEF and the Conflict and Development Foundation.

In 2023, FUIB provided UAH 4 billion in financing to Ukrainian medium-sized businesses. The bank continued to support Ukrainian business in difficult times, so it used an individual approach to its needs: carried out restructuring with due regard to the current financial situation, revised loan



repayment schedules if necessary, etc. The priority areas of financing were the agricultural sector and companies that relocated their business to relatively safe regions of Ukraine.

FUIB developed the direction of digital products for lending to individual entrepreneurs in the micro and small business segment, providing an opportunity to obtain a loan of up to UAH 750 thousand for up to 3 years without collateral and surety. The uniqueness of the product is that the entire process for the customer is built online, simple and clear. In 2023, 2.5 thousand individual entrepreneurs received online loans totalling UAH 560 million. FUIB started providing loans to newly registered start-up entrepreneurs with a business history of only 3-6 months.

Loans to renewable energy and green businesses

At the end of 2023, the **large** corporate business served by the bank had an operating portfolio of solar power plants of 2.6% of the total loan portfolio of large companies. Green **medium** corporate businesses accounted for 8% of the bank's loan portfolio in 2023. These companies have a preferential repayment scheme, according to which the priority is first to pay taxes, repairs, support production, and then to fulfil the company's obligations to the bank in the amount of the remaining balance.

In 2024, FUIB plans **to strengthen financial support for companies that implement green technologies and take care of the environment or invest in renewable energy sources.**

Remote business servicing

In 2023, new opportunities for entrepreneurs appeared in FUIB Digital Business internet banking:

- **Opening an account online** without visiting branches, through the Diia application, is easy and secure.
- **Issuance of a virtual corporate card for private entrepreneurs online**, without a visit to the bank. The card can be used to make online payments or for contactless payments: withdrawing funds from a contactless ATM or at the cash desk of a retail outlet using Apple Pay and Google Pay. This is especially convenient for those entrepreneurs whose business is related to trade or services.
- **Online application for connection to the Smart Op!lata service** (the ability to accept payments from customers to merchants via QR code) **and Merchant Acquiring** (a service for accepting cards from Mastercard, VISA and Prostir payment systems for goods, works and services at POS terminals).
- **Currency Trading online service**, which allows entrepreneurs to negotiate the best exchange rate for their business via their smartphones.
- **Online submission of an application for a loan to an individual entrepreneur under the “vseBUSINESS” loan**, a quick decision on the application within a business day; online signing of a loan agreement, after which the funds are immediately credited to the entrepreneur's current account and available for use.
- **Online updating of entrepreneurs' data.**
- **Chatbot for business** for prompt communication with the operator and useful tips.

Increasing business income

Despite the war, FUIB **has been steadily increasing the size of its deposit portfolio and balances on current accounts of small business customers, which demonstrates the trust of businesses in**



FUIB, its profitable and convenient products. Thus, the “Profitable account” provides customers with the opportunity to receive additional income by accruing interest on current account balances, without withdrawing funds from circulation and in no way restricting customer transactions in the usual way. In 2023, the portfolio volume of the “Profitable account” reached UAH 2.9 billion. FUIB’s term deposits are a tool for increasing business income with high interest for a clearly fixed term. In 2023, the volume of the term deposit portfolio increased to UAH 11 billion (+UAH 8.6 billion).

Taking into account the interests and needs of small business customers during the wartime period due to the lack of long-term planning, the “Convenient” deposit was offered, which provides for the placement of funds for 1 night or a weekend. This allows the customer to manage his/her cash flow in the most favourable way, making it minimally sensitive to the impact of unfavourable unpredictable factors. An additional advantage of such a deposit is the ability to connect daily automatic debiting from the current account in the evening and place funds on the deposit. At the beginning of the next business day, the funds are returned to the current account together with accrued interest. In 2023, the portfolio of the “Convenient” deposit for small business customers totalled UAH 3.72 billion.

By the end of 2023, 90% of standard deposit agreements were opened online via FUIB Digital Business internet banking. By the end of 2024, FUIB plans to make it possible for legal entities and individual entrepreneurs to remotely open and manage their entire deposit line.

As of the end of 2023, the number of **small, medium and large businesses and state-owned enterprises** serviced by FUIB amounted to **120.6 thousand**. Over the year, the increase in customers was +19.7 thousand (+19%). The increase was due to personalised products in accordance with business needs, government funding programmes on favourable terms and conditions (such as 5-7-9), favourable interest rates, flexible approach and speed of solving customer problems.

Educational and cultural projects



In 2023, 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 invested UAH 3.6 million in high-quality higher education. 48 talented students received a discounted tuition fee for the Housekeeper and Big Data programme in 2023. KSE continues to train professionals who are able to implement qualitative changes and restore Ukraine after the victory.

The bank’s team donated \$60,000 during the Sustaining Ukraine Through Education charity event held by the KSE Foundation in November 2023. The donation was one of the largest at the event and was used to fund six grants for education for war veterans.

Serhii Chernenko, Chairman of the Management Board of FUIB, emphasised: *“Veterans returning from war to civilian life need help in adaptation – an opportunity to rediscover themselves and increase their competitiveness in the labour market. High-quality education is the key to both professional development and mastering a new profession. Our soldiers deserve to be educated at the best universities in Ukraine, such as the Kyiv School of Economics. And Ukrainian business, including FUIB, is already employing talented defenders.”*



FUIB became a partner of the KSE Foundation in **arranging 2 shelters to protect more than a thousand schoolchildren** from academic lyceums in Bucha district of Kyiv region: Chervonoslobidskyi and Buzivskyi. The bank invested UAH 1 million in safe education.

On June 22, 2023, FUIB abandoned Russian-language interfaces and at the same time launched a tolerant campaign for unconditional support in the transition to the Ukrainian language, including financial support, “Bezumovna Pidtrymka”. The team created an entire ecosystem of “Bezumovna Pidtrymka”:



1. Own TG channel https://t.me/bezumovnapidtrymka_bot with a financial dictionary, useful tips, interesting tasks, and a motivational programme.
2. Language show “Bezumovno, in Ukrainian!” on YouTube, where blogger Anton Murafa invites famous people to visit him, who tell their stories of transition to Ukrainian, difficulties and funny stories, and share interesting content for learning the language with pleasure.
3. The “bezumovni” helpers in the bank’s branches – consultants in the “nightingale” language and even blogger Anton Murafa, a “comfort manager” – are there to draw attention to the social problem of transition to Ukrainian and to involve not only the bank’s customers in the language project.
4. Participation in a special edition of the “Soloviyne Show” dedicated to financial vocabulary.

In the first two months, more than 25,000 Ukrainians used the chatbot alone and left great feedback. And the episodes of the show on YouTube have garnered over 7 million views. So we decided to continue the project. That is why the second season of the “Bezumovna Pidtrymka” programme started on 12 September. And the chatbot gathered 47 thousand participants.

What did it offer that was new? To make the programme interesting for both registered and new participants, we have improved the approach, added new activities, and enriched the content. Different topics are planned for each week of the programme, with an emphasis not only on improving the language but also on learning about Ukrainian culture: music, cuisine, and literature. Curators of the themed weeks have been invited to join the project. Poet and brilliant novelist Serhii Zhadan, music critic and founder of Bezodnya Music Maksym Nahorniak, folklorist and promoter of Ukrainian traditional culture Yaryna Szyk, and chef and MasterChef star judge Olha Martynovska offered original tasks for the programme participants, sharing interesting facts about language, literature, traditions and culture. By earning points for completing the tasks, everyone could later exchange them for rewards of their choice: a gift or a donation to DonorUA. In the end, more than 6 thousand participants chose to support blood donation in Ukraine, so FUIB transferred UAH 150 thousand to the NGO for 3 blood deliveries to hot spots, each of them saving more than 1,500 people.

In addition, FUIB’s team continued to work on the podcast “Bezumovno, in Ukrainian!”. The guests of the first season – comedians and volunteers Vasyl Baidak and Mark Kutsevalov; singer and YouTube project host Dasha Astafieva; producer and musician Ruslan Kuznetsov; and Marketing Director Kseniia Sikorska – were joined by musician and serviceman Kolia Sierha; singer and songwriter Nadia Dorofieieva; and singer and blogger Dasha Maiorova. Each of the guests shared their own imperfect experience of transition to Ukrainian. In total, the YouTube episodes of the show “Bezumovno, in Ukrainian!” have garnered 13 million views. After the programme ends, they remain publicly available for viewing. “Bezumovna Pidtrymka” has fulfilled its mission of supporting



everyone who wants to delve deeper into learning the Ukrainian language, culture and traditions. We have shown society that gentle Ukrainisation is possible.

Since the level of **financial literacy** in Ukraine is still low compared to other countries of the Organisation for Economic Cooperation and Development, in 2023 FUIB paid attention to educational communications on social media – on the bank’s official Facebook page and Instagram. Here, we provided up-to-date information on changes in the financial system of Ukraine, advised on financial issues, and taught safe and convenient use of mobile banking.

The bank’s investments
in educational and cultural projects
in 2023:

UAH 15.6 million

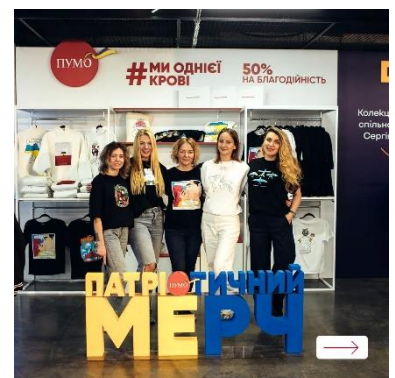
Help for the wounded



Ukrainian soldiers are in constant need of **haemostatic agents for tactical medicine and blood components in hot spots**. In addition, the economy is depleted during the war. Therefore, FUIB initiated the social **project “We Are of the Same Blood”** to support Ukrainian small businesses and art, promote donor initiatives and help the wounded. This is a large-scale partnership project with more than 30 partners, including NGOs, illustrators, brands, shops, exhibition organisers, and even a football club. FUIB transfers half of the cost of each order of patriotic merchandise created by Ukrainian manufacturers to the NGOs DonorUA, Blood Agents and Hospitallers.

The funds raised are used to meet the need for donated blood, deliver blood components to hot spots, and purchase tactical medicine for Ukrainian soldiers and equipment for paramedics. Ukrainians support the project not only by ordering patriotic clothing, accessories and replaceable chevron stickers, but also by donating blood at donor centres. As a token of gratitude, each donor receives a 25% discount on the merch.

For more than a year of its operation, the “We Are of the Same Blood” initiative has raised UAH 6.3 million. The funds were used for: 62 blood deliveries to hot spots; 2 low-temperature freezers for storing blood plasma; more than 3,500 tactical medicine products (haemostatic bandages, occlusive stickers, haemostatic tourniquets, compression bandages, haemostatic bandages, knot tourniquets, nasopharyngeal tubes, intraosseous accesses); 4 patient monitors for emergency paramedics. All together, these are tens of thousands of lives saved.



More than 1,600 Ukrainians have become donors, which means hope for recovery for 4,800 people. More than 11,500 Ukrainians took part in the project. Ukrainian business and art were supported by UAH 13 million. Project pages in social networks www.facebook.com/lifesavingmerch and <https://www.instagram.com/lifesavingmerch>. Website <https://lifesavingmerch.com.ua/>.



FUIB and its friends equipped a frontline operating room for UAH 6 million. In December 2022, FUIB's team decided to allocate the entire budget allocated for New Year's greetings to customers and partners to save the lives of Ukrainians. UAH 3 million of the gift budget became a down payment for the purchase of operating room equipment in one of the hospitals on the frontline. However, this amount would not have been enough for full equipment, so the bank invited its friends, partners and customers to join the collection by launching a social online fundraising campaign. Thanks to the donations, Ukrainians managed to raise the full amount of UAH 6 million to purchase all the critical equipment. The initiative's partner was the Serhiy Prytula Charity Foundation. With all the funds raised, the CF team managed to purchase equipment for four operating rooms instead of one. They save up to 900 lives every month.

Partnership development

Partnership with banks and the NBU



In 2023, during the war, the NBU and banks joined forces to support the Armed Forces of Ukraine. FUIB became a **partner of the NBU's charity event "Brave Hryvnia"**. From 4 September to 8 December, coins were collected throughout Ukraine to be sent to the frontline. Anyone could donate coins in denominations of 10, 50 kopecks and 1, 2, 5, 10 hryvnias to help the Ukrainian military. In addition, non-payment coins of 1, 2, 5, 25 kopecks could be donated by putting them in a box at FUIB branches.



Смілива гривня

Over the three months of the campaign, Ukrainians collected UAH 4.3 million in coins. More than half a million hryvnias were handed over in coins through FUIB branches and transferred to the NBU special account to support the Armed Forces of Ukraine.

As a primary dealer, in 2022 FUIB **launched a service for the sale of military domestic government bonds**, which were initiated by the Ministry of Finance of Ukraine to support the budget of Ukraine through investment. Since the beginning of the war, by the end of 2023, the total amount of investments in military bonds by more than 1,897 bank customers, individuals and legal entities, amounted to over UAH 1,514 million, over USD 45.2 million and over EUR 10.15 million.

Partnership with Charitable Foundations and NGOs



FUIB supports Ukrainian defenders. In 2023, the bank **allocated more than UAH 87 million to support the units of the Armed Forces of Ukraine, the National Guard of Ukraine, the Main Directorate of Intelligence of the Ministry of Defence of Ukraine and the Security Service of Ukraine.** Since the beginning of the full-scale invasion, the amount of this support by the bank has amounted to more than UAH 167 million. In 2023, there was an urgent need for various unmanned aerial vehicles, from the simplest FPV drones to powerful long-range UAVs. We

also monitored the need for equipment to control the UAVs and to combat enemy drones. The defenders needed tools and spare parts for repairing electronic warfare systems, communication equipment, and vehicles ranging from pick-up trucks to evacuation helicopters. FUIB's sustainable support not only strengthens the country's defence capability, but also saves lives of soldiers on the



frontline and civilians in peaceful cities. The bank finances domestic defence industry production to protect our country.

In 2023, the bank financed the procurement of the following items at the request of the units: 374 drones, 6 thermal imagers, 14 pieces of communication equipment, 177 pieces of equipment to combat enemy drones and repair strike unmanned aerial vehicles, 21 pieces of equipment and parts for repairing air defence equipment, 6 vehicles and half of the medevac were paid, etc.

In 2023, FUIB joined the nationwide mega-fundraising twice - for drones for the Magyar Birds and drones for the Armed Forces of Ukraine together with the Serhiy Prytula Foundation. FUIB also joined the fundraising of students of the Kyiv School of Economics together with the KSE Foundation and DefDev for medevac helicopters for the Main Directorate of Intelligence of the Ministry of Defence of Ukraine. The bank transferred UAH 11 million to organise the rapid evacuation of seriously wounded from the battlefield.



In addition, on Independence Day, FUIB, together with the Security Service of Ukraine, customers, friends and partners, raised UAH 60 million to produce the first batch of 33 powerful long-range Morok UAVs made in Ukraine. The drones were handed over to the special forces of the Special Group “Alpha” of the Security Service of Ukraine, in particular, the “White Wolf” unit.

FUIB’s partners in supporting the Armed Forces of Ukraine include both large well-known charitable foundations and small volunteer organisations. Together we are doing one big and important thing.

Svitlana Denysenko, Director of the KSE Charitable Foundation: *“FUIB joined the fundraising of students of the Kyiv School of Economics together with the KSE Foundation and DefDev for medevac helicopters for the Main Directorate of Intelligence of the Ministry of Defence of Ukraine. The bank transferred UAH 11 million for the rapid evacuation of seriously wounded. The bank also contributed UAH 300 thousand to purchase a negative pressure wound healing system. The device was transferred to a military hospital in Vinnytsia region, it helps to heal wounds and burns of varying severity faster and has already helped dozens of defenders. The bank’s support saves lives!”.*

Team of the volunteer community “We Do Not Leave Our Own Behind”: *“The total amount of assistance provided by FUIB to the Armed Forces of Ukraine in cooperation with We Do Not Leave Our Own Behind amounted to UAH 1.8 million. We are truly grateful for 6 DJI Mavic 3 drones, 5 thermal imagers, 2 DJI Mavic 3T drones, one pickup truck and a whole bunch of the most necessary equipment for the frontline, which we managed to deliver to the defenders thanks to our joint efforts. We appreciate every moment of cooperation!”.*



FUIB became a financial partner of the awarding of pet heroes who are actively involved in saving people and defending our country: Main Directorate of Intelligence of the Ministry of Defence of Ukraine, Armed Forces of Ukraine, National Guard of Ukraine, National Police of Ukraine, State Border Guard Service of Ukraine, State Emergency Service of Ukraine, Security Service of Ukraine, Administration of State Guard of Ukraine, State Customs Service of Ukraine, State Penitentiary Service of Ukraine. 23 service dogs and their handlers received honourable awards from the Ukrainian



Kennel Union in four categories: search for explosives, special purpose dog, search for narcotics, and for a saved life.

Our customers have been helping FUIB to bring the victory closer. Since the beginning of the war, FUIB has arranged for **a quick transfer of any amount without commission to support our army** through all channels of the bank. Since the beginning of the war, Ukrainians have transferred **over UAH 518 million** through FUIB for the needs of the Armed Forces of Ukraine and humanitarian support.

On April 20, 2023, the Serhiy Prytula Charitable Foundation, with the financial support of FUIB, held the All-Ukrainian Forum of Tactical Medicine. The forum has become a platform for communication and exchange of experience for more than 300 paramedics, tactical emergency medical care instructors, combat life-savers and volunteer medics. The experts discussed the basic protocols of tactical medicine, the stages of providing assistance in danger zones, the algorithm of actions when helping the wounded in conditions of fire contact, preventing additional losses during combat missions, evacuation methods and conditions for delaying the evacuation of the wounded, and many other topics.

FUIB allocated UAH 7 million **to help the people of Kherson who suffered from the destruction of the Kakhovka hydroelectric power station:** UAH 5 million was spent to help local residents, and UAH 2 million was spent on animal rescue. We cooperated with the “Odesa ta odesyty”, “Zakhyst”, “Hospitaliers” and UAnimals foundations to provide humanitarian support. We purchased and delivered vehicles, pumps, food, medicines, hygiene products, water, etc. Thanks to the financial support of FUIB, about 400 animals and 5,000 people received help. The purchased equipment continues to be used in the areas affected by the environmental disaster.



Partnership with government agencies

In October 2021, FUIB joined the **“No Barriers” initiative of the First Lady of Ukraine Olena Zelenska.** The initiative aims to create a society without restrictions in Ukraine, where equal rights and opportunities for all people in self-realisation, employment, movement, services, education, communication, leisure, and development are ensured. The bank employs many people who at some point in their lives become less mobile – after giving birth to a child and caring for it or suffering from a long-term illness, immediately after graduation or when they reach an advanced age. The bank creates comfortable and flexible working, communication, training and career development conditions for everyone.

We are opening more and more bank branches that are accessible to people with limited mobility and disabilities, and developing new service standards for them. Our branches are equipped with ramps, electric lifts, tactile tiles, staff call buttons, Braille signs, etc. As of the end of 2023, 174 branches met the requirements for accessibility of entrance areas for people with limited mobility.

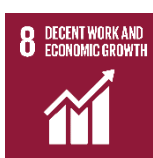
In 2024, the plan is to make the entrance areas accessible in all branches (where technically feasible), and to arrange the interior space to meet the needs of people with disabilities and people with limited mobility. In 2024, we plan to fully equip 25 inclusive branches. We are also changing the service model and, accordingly, training staff for a comfortable service process.



In 2023, FUIB provided financial assistance in the amount of UAH 3 million to replace the coat of arms of the USSR, which was placed on the shield of the Mother Ukraine, with the State Emblem. The trident appeared on the shield of the Mother Ukraine on the occasion of Ukraine's Independence Day. The project, developed by the Ministry of Culture, involved the National Museum of the History of Ukraine in the Second World War.

Customer-centric business model

Improving and simplifying cooperation with the bank



The customer is FUIB's key value. Each employee does everything possible to make it easy and simple for customers to cooperate with the bank. For the convenience of customers, all operating branches of the FUIB network, which numbered 208 at the end of 2023, have self-service areas with payment terminals where customers can carry out banking transactions themselves. The bank's cash desks offer cash withdrawals using PayPass and PayWave contactless technologies. Free Wi-Fi is available in all branches. Also, for the comfort of customers-entrepreneurs, the bank equips geographically remote cash desks and B@W points within their premises. In addition, the bank creates 24/7 zones in its branches with round-the-clock access to banking services: by the end of the year, these zones were operating in 104 branches.

Due to the ongoing hostilities and rocket attacks caused by the full-scale war, the bank is sometimes forced to close branches. In 2023, 5 branches were closed. At the same time, in 2023, two branches in Kharkiv were additionally reopened, and the branch in Odesa and the branch in Bovshiv village were repaired and reopened after shelling. One branch in Zaporizhzhia was severely damaged by a rocket attack, it suspended operations and is currently being repaired to reopen.

In the autumn of 2022, due to the intensification of Russia's attacks on the country's critical infrastructure, all systemically important banks, including FUIB, united to create POWER BANKING at the initiative of the National Bank of Ukraine. This is a joint network of bank branches across Ukraine that operate and provide banking services to customers 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. Currently, 88 FUIB branches are part of the general banking network of Power Banking.



In 2023, the bank continued to equip its branches with generators, starlinks and uninterruptible power supplies to ensure continuous operations and provide financial services to customers under any conditions.

In the second year of the war, FUIB provided consumer loans in small towns, helping to improve the welfare of the population. In 2023, at 550 express points of sale of the bank, it was possible to receive financial advice, as well as to apply for a loan for goods, a cash loan and a credit card. About 176 thousand customers used the bank's services in small towns.



In 2023, in more than **5,000 partner stores (+2,337 over the year)**, including online stores, in **327 (+35) 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 how to manage finances remotely. FUIB, together with its retailer partners, made customers' purchases more affordable through interesting joint promotions, as well as provided opportunities to receive instalments when paying for goods by credit card. The use of smartphones for servicing helped to significantly reduce the time required to process loans and make the process more convenient for customers. Over the year, 25.4 thousand consumer loans were disbursed. Customers could receive up to UAH 100 thousand. In 2024, the bank plans to make the lending process completely paperless and expand lending to new segments, such as clothing, footwear, cosmetics and healthcare.

At the end of 2023, FUIB served **more than 1.5 million active private customers**. During the year, the active customer base increased by more than 145 thousand customers (+10%). New customers were attracted by opening new debit cards – 81% of the new customer flow, of which 55% were attracted through remote channels, 20% – new salary cards.

The most popular products among customers in 2023 were the following:

- FUIB Online Internet banking, due to the active development of the mobile application feature;
- debit card accounts, due to favourable terms and conditions of service, implementation of card delivery abroad, introduction of new identification methods;
- salary card accounts, through active promotion of the product;
- credit cards, through the sale of credit cards in the FUIB Online application.

Customers are increasingly taking advantage of new opportunities. During the year, the number of customers making financial transactions increased by 20%: utility bills and money transfers. Transaction activity of customers in POS terminals also increased by 21%. The number of customers who started using services increased by 16% due to the choice of cashback categories and the use of service operations (statements, templates, etc.).

In 2023, the bank launched a simplified process (in the FUIB Online mobile application, short with a minimum of fields and time) for attracting new customers to the bank with the possibility of identification through the application "Diia" or with a passport-book. Currently, we are working on providing the possibility of identification with an ID card. After completing this new process and receiving approval from the bank, customers receive a Single Credit Limit, which they can use without additional approvals to use their credit card or to purchase goods in instalments "Pay in instalments" in the bank's partner stores, and can also receive additional funds on credit by using the "Money in instalments" products by requesting an arbitrary amount or a refund for a previously made debit or credit card transaction.

Also in 2023, the bank offered its current customers support in the form of **debt restructuring programmes** for valid credit cards and loans in the FUIB Online mobile application: repayment holidays and refinancing. The programmes significantly reduced the customers' payments, helping them to cope with temporary difficulties in paying their loan obligations.

The FUIB Online mobile application has the main functions that allow customers to manage their finances 24/7 on their own from anywhere in the world, without contacting a call centre or branch. Most customers chose the mobile application to solve financial issues. In 2023, another 200,000 customers evaluated the application. At the end of the year, FUIB Online had more than 1.4



million active users. In 2023, FUIB Online implemented new features, such as moneyboxes, card delivery abroad, foreign currency transfers to relatives, transfers by phone number, etc.

For example, **the MoneyBox savings service** allows you to conveniently raise funds for charity or save for your own dream. According to internal statistics, 35% of all customers who open a savings account for a dream stop saving after a while for personal reasons (forgetting to replenish, lack of patience, etc.). To motivate customers to continue saving, FUIB gamified the functionality for replenishment (a game and personal challenges motivate them to continue saving) and simplified the ability to share the details of the fundraising (it is enough to copy the link to the fundraising and send it in any convenient way or post it on social networks; the link to the fundraising can be either a link or a QR code). Another advantage of the service is 5% per annum accrued on the account balance. The major part of the opened moneyboxes are fundraisings to support the Armed Forces of Ukraine and help family and friends.

The card delivery service abroad was primarily of interest to Ukrainians temporarily residing outside Ukraine and in need of a bank card. The card can be easily ordered through the FUIB Online mobile application. In 2023, 47% of customers who ordered a card abroad became active customers of the bank (they make weekly transactions using the card). 27% of cards with delivery abroad were ordered by new FUIB customers. In 2023, 1,410 cards were delivered to the bank's customers.

One of the key advantages of the FUIB Online application is **the ability to register even without having an account with the bank**. Registration takes place on iOS and Android in a few clicks using the "Diia" application or a passport.

FUIB became the first Ukrainian bank **to introduce customisation of its application**. Users have the opportunity to customise the application's desktop according to their daily financial needs. The FUIB Online application also offers **favourable terms and conditions for families serviced by the bank**. In the application, relatives can establish family ties and make commission-free and unlimited transfers, which makes it very convenient to manage a joint budget. The application also provides the possibility of transferring currency to a relative in PLN, USD, EUR or GBP, which can also be purchased online in the application.

Another unique tool for application users is the **service of ordering cash currency to a specific bank branch**. With this service, customers can specify not only the required amount and branch to receive it, but also a convenient date, and are guaranteed to buy the required amount of currency on a particular day.

In 2022-2023, **YePidtrymka virtual card** is offered to recipients of state financial aid affected by the war. At the end of 2023, the bank had 512,000 active packages, and the amount of targeted government revenues totalled UAH 141 million.

FUIB joined **the programme of state aid for the restoration of damaged housing YeVidnovlennia** in May 2023. As of 01.01.2024, UAH 90.8 million was paid through FUIB under the YeVidnovlennia programme. The number of customers who received payments was 1,054.

In May 2023, FUIB also launched a social initiative to double the amount of state aid under the YeVidnovlennia programme. The maximum amount of payments is up to UAH 200 thousand. The bank pays all taxes when receiving financial aid, so all the funds can be spent on housing renovation and a happy family life. The doubling amount is drawn using the random.org service. In addition, each recipient of the payment to the YeVidnovlennia card from FUIB is guaranteed to receive a bonus



of UAH 500, which can be withdrawn to the card after the state has credited it, as well as 2% cashback on goods for construction and repair for three months. All accruals from the bank are credited to the customer's debit card for any purpose. During 2023, the payment was doubled for 6 customers of the bank, with the total amount of the incentive amounting to UAH 594 thousand. FUIB's social initiative to double the payment of YeVidnovlennia state aid will last until June 14, 2024.

During 2023, 150 thousand loans, 63 thousand YeVidnovlennia cards, 75 thousand MoneyBoxes were opened in the bank's mobile application and more than 120 million cashback was saved. Customers became much more active in mobile banking – the total number of service and financial transactions increased by a third.

In 2023, FUIB continued to fulfil all its obligations. As a result of a balanced policy, the bank is trusted by its customers. Thus, 87% of the bank's individual customers extended their deposits following the results of 12 months of 2023.

In 2023, more than 23.8 thousand **pensioners chose FUIB to service their pension accounts.** As of the end of the year, there were 116.8 thousand active pension accounts in the bank. For recipients of social benefits, FUIB offers free opening and servicing of cards; recipients of social aid can choose cashback categories on a monthly basis, pay for utilities and top up their mobile phones without fees in the FUIB Online application. Customers can withdraw funds free of charge from ATMs of any bank in Ukraine and replenish their cards without fees. For pensioners, the bank also held a campaign to draw valuable prizes.

FUIB customers received financial aid from the Ukrainian government and international organisations, including the International Committee of the Red Cross in Ukraine and the Ukrainian Red Cross Society, UNICEF, the UN, etc.

In 2023, the bank cooperated **with more than 30,000 payroll companies, serving more than 351,000 of their employees.** For salary customers we offer: free issuance and servicing of cards with free cash withdrawals at ATMs of any bank in Ukraine; free replenishment of FUIB cards in a network of various terminals throughout Ukraine; the possibility of connecting cashback, including for utility payments; remote channels for opening accounts using Diia and Bank ID; the ability to make salary payments to employees to accounts in different banks within one statement; delivery of payment cards in Ukraine and abroad; timely cash collection of ATMs installed at payroll companies; repayment holidays and loan restructuring programmes; an alternative channel for contacting the support service via chat in the mobile application. Salary customers are regularly provided with financial literacy training, as well as information on new opportunities, products and services.

Providing cash to the state in time of war



Starting in 2023, **the situation with the transportation of cash and valuables was largely stabilised**, with point-to-point control of collection routes remaining only on routes close to the frontline. At the same time, the main challenges facing the collection units remained the same as in 2022: evacuation of the bank's valuables and its employees from the combat zones amid constant shelling, bombing and mined transport routes; cash replenishment of ATMs and bank branches under constant shelling; opening new logistics schemes for the supply of foreign cash; providing additional security measures for employees to ensure safe travel and identification at checkpoints; providing the necessary amount of cash to meet all customer needs; accelerated transition to electronic documents, their formation, signature and storage in order to



preserve customer personal data.

Partnership with the DGF

In 2023, FUIB continued to **actively cooperate with the Deposit Guarantee Fund**. In 2023, FUIB paid compensation to 6,493 customers of insolvent banks for a total amount of over UAH 637.9 million using funds received from the DGF. Of these, 750 people decided to continue cooperation with FUIB and became its customers.

In 2023, FUIB paid UAH 257 million in fees to the DGF.

Security of data, people and property

In response to a significant increase in the number of DDOS attacks in 2023 (1-3 powerful attacks per quarter), FUIB strengthened the existing protection of remote customer service services. The longest DDOS attack lasted more than 1 week (180 hours). The bank launched a long-term Bug Bounty programme to search for vulnerabilities in public services for customers: FUIB Online, FUIB Digital, which allows thousands of ethical hackers to test the security of our services.

In 2023, the bank resisted fraud and new schemes by implementing a comprehensive approach. First of all, we developed a process for batch blocking and unblocking customers, which allows us to respond quickly to suspicious activity. In addition, cross-channel monitoring logic was introduced to detect fraud and reduce potential customer losses. New machine learning models helped to accurately detect suspicious activities and reduce their impact on customers.

Data is analysed daily and the monitoring system is developed to detect anomalies and respond promptly to them. Exclusion lists are constantly updated, which allows us to effectively filter out potentially risky transactions for customers. The bank communicates with its customers and non-customers on social media to inform them about new fraud methods, such as: fake references to payments from the state or payment for goods/services on OLX.ua, independent transfer of funds for goods and services that are not provided to customers. Enterprises and companies serviced by the bank as payroll projects are informed about current fraud methods. FUIB has a transaction control system in place, which allows achieving a significant reduction in monthly losses of FUIB customers from fraudulent transactions. Additionally, new monitoring tools were introduced within the scope of the SAIF project aimed at counteracting such fraudulent schemes as “earnings on the Internet”, “online casino”, “assistance” from various “international organisations” and “cashing out funds from the accounts of customers of the temporarily occupied territories”. The security team focused on detecting social engineering, fake fundraisers for defenders, and rental housing for IDPs (Internally Displaced Persons).

In 2023, the bank’s security team saved UAH 96 million on the accounts of 7.1 thousand customers due to continuous improvement of anti-fraud monitoring.

In 2023, the Security Service implemented the following **initiatives to ensure the safety of people and property**:

- CITADEL Situation Centre and PSIM Nembus automated physical security risk management system for better control over physical security and effective risk management;
- new security protocols for operations in the de-occupied territory of Ukraine to ensure the safety of employees and customers in difficult conditions;



- deepening the process of verification of counterparties and partners to prevent interaction with companies associated with the Russian Federation and the Republic of Belarus, to reduce the risk of internal fraud and staff safety.

FUIB's security service actively cooperates with the Cyber Police to identify criminal groups. FUIB's security experts are actively involved in anti-fraud and cybercrime activities carried out by the Ukrainian Interbank Association of Payment System Members EMA for secure cashless payments in Ukraine.

Risk management

FUIB has an effective risk management system (RMS) that meets the requirements of the National Bank of Ukraine and is part of the bank's overall corporate governance system. The RMS is aimed at ensuring the stable development of FUIB in accordance with the business strategy.

To implement all the requirements of the National Bank of Ukraine, the following internal regulatory documents were developed by FUIB:

1) *Declaration of risk exposure*: defines the list of material risks, the aggregate maximum level of risk appetite permissible for the bank, quantitative and qualitative indicators for all types of material risks, the individual level of risk appetite for each type of material risk, and the types of risks that the bank should avoid.

2) *The Risk Management Policy and the Risk Management Strategy* regulate the organisation 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 organisational levels of the bank.

To ensure the stability and security of the bank's business, the internal control system (ICS) has been implemented along with the RMS, which is regulated by the internal regulatory document "Policy on the Organisation of the Internal Control System" and meets the requirements of the NBU. The ICS is based on **the model of three levels of control**.

The first level includes business and support units of the bank that ensure risk identification: the bank's structural units that carry out banking operations and provide support for them are involved in the process of identifying, assessing and monitoring risks, comply with the requirements of internal regulatory documents on risk management, and take into account the level of risk in the course of operations.

The second level includes risk management and compliance units that ensure risk management: the Risk Management and Compliance Departments develop risk management mechanisms, 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.

The third level includes the Internal Audit Department, which independently assesses the effectiveness of the risk management system of the units of the first and second levels and evaluates the effectiveness of the internal control system.



To monitor and respond in a timely manner to any events that may affect the bank's sustainable development, monthly, quarterly and annual risk reports are prepared and reviewed by the bank's Management Board and Supervisory Board.

FUIB has developed and implemented the following **regulatory documents to manage compliance risks and resolve social issues**:

- Code of Corporate Ethics,
- Anti-Corruption Programme,
- Corporate Governance Code,
- Regulations on the Settlement of Conflicts of Interest,
- Procedure for Organising the Work of the SCM Hotline,
- Financial Monitoring Rules,
- Procedure for Giving and Receiving Gifts and Invitations,
- Staff Training Procedure,
- Procedure for Staffing.

The bank also regularly conducts staff training and testing to control knowledge of risk management and compliance.



In the Declaration of Risk Exposure, the bank declares that it **takes into account the impact of climate risks on corporate customers' credit risks** in terms of loss of collateral, borrower default, lack of insurance of collateral; **operational risks** of 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.

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 citizens and legal entities. To prevent the loss of property and assets, emergency evacuation plans for valuables and staff 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 in respect of property that could not be removed due to significant danger and in respect of buildings that were damaged/destroyed as a result of shelling.



Customer experience

FUIB **studies customer satisfaction** using various tools: external surveys, the "Mystery Shopper" programme, internal specialised surveys aimed at identifying customer loyalty and experience of interaction in various channels of the bank. Thus, the bank has the most complete information on customer feedback and behaviour when interacting with the bank.

The bank pays special attention to handling **customer complaints and suggestions**. FUIB has implemented the project Single Call Centre with maximum automation of processes, quick resolution of customer issues, and prompt customer feedback. The process of receiving a notification of fixing an application with a specified review period and a notification in case of extension of the deadline has been set up.

In 2023, FUIB **strengthened and expanded its customer experience research**, taking into account the experience and needs of both those customers who remained in Ukraine and those who moved



abroad. The conducted research, study of additional needs and problems allowed us **to improve the customer journey of the foreign audience** and thus enable them to feel no boundaries in using banking products and services.

One of the results of this work was a **project on family ties**, which helped to meet the need of the bank's customers for financial support for relatives anywhere in the world through the bank's mobile application. The results of research among potential users made the process of transferring funds quick and convenient. FUIB also improved the customer journey and accessibility of the international transfer service by opening the possibility to use it through the hotline, the bank's website and branches.

After studying the needs and difficulties of customers who were outside Ukraine during the war, **the process of delivering cards abroad** was implemented. This allowed customers in other countries to continue to actively use banking products and services.

In 2023, a **new Moneybox product** was implemented, which, among other things, helped customers with volunteer fundraising by providing them with a clear and easy-to-use tool for accumulating funds for specific purposes at FUIB. The testing and study of customer problems helped to meet the needs of this product.

In 2023, FUIB continued **to improve the process of paying for utilities** through the application. Taking into account the wishes of customers based on complaints, suggestions and research, new service providers were added, making payment even more convenient.

According to the results of an external **study of customer loyalty** by InMind, FUIB is among the TOP 3 market leaders in terms of NPS. The increase in the indicator for 2023 is +5 (60%). The main driver of its growth was FUIB Online, as the mobile application is the main reason to consider the bank as the main one and recommend it. The growth was due to the focus on expanding the functionality, creating unique features, technical refinement of the application, improving the design, and increasing the level of intuitiveness for the customer when using it.

After the mobile application, the bank's products are the second most influential. According to the internal customer loyalty survey, VSEKARTA became the driver of NPS growth in 2023 (active market positioning, integration into the mobile application, provision of a wide range of services and the most attractive product conditions). The indices of loan products increased by +4.3 in 2023 compared to 2022 due to the launch of online lending in the second half of the year and attractive terms and conditions. Deposits in 2023 showed the highest indicator in the history of liabilities measurement (NPS 77.4; +3.8 compared to 2022).

The bank's investments
in improving the customer experience
in 2023:

UAH 6.9 million



PRINCIPLES OF EMPLOYMENT RELATIONS

Principle 3: Businesses should support freedom of association and the effective recognition of the right to collective bargaining.

Principle 4: Businesses should support the elimination of all forms of forced or compulsory labour.

Principle 5: Businesses should support the total elimination of child labour.

Principle 6: Businesses should promote the elimination of discrimination in respect of employment and occupation.

Policy

FUIB is a responsible employer. In 2023, FUIB **created new jobs for 1,485 Ukrainians**, almost twice as many as in 2022. At the end of 2023, the bank **employed 6,846 people**. There was no reduction or increase in the number of staff during the year.

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

In the field of labour relations, FUIB complies with the Constitution of Ukraine, the current legislation of Ukraine and supports the provisions of the International Labour 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.

FUIB operates in accordance with the principles of fair labour practices and respect for human rights:

- respect for and observance of the rights of employees;
- compliance with the current labour 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 labour.

FUIB has established and operates a **labour protection management system** in accordance with the laws of Ukraine. Internal regulatory documents on labour protection have been developed and approved, and those responsible for the implementation of labour protection requirements at the head office and regional centres 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 is in charge of this area of activity. To organise the implementation of legal, organisational, technical, sanitary and hygienic, medical and preventive measures aimed at preventing accidents, occupational diseases and accidents in the work process,



FUIB has established the Occupational Health and Safety Sector within the Bank's Operations Support Department.

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

Implementation

Equal rights and opportunities



The bank has a **Collective Bargaining Agreement** in place, which sets out provisions on employment terms, conditions and remuneration, social benefits and guarantees. The Collective Bargaining 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 or political beliefs. All amendments to the Collective Bargaining Agreement are discussed by the Labour Council with employees and adopted at a meeting of the labour collective. In 2023, no amendments were made to the Collective Bargaining Agreement, and the 2021 version is in force.

At the end of 2023, the bank employed 5,114 women and 1,732 men (total number of employees: 6,846). FUIB has 423 female heads (58%) and 301 male heads (42%). Among the heads of the bank's structural divisions, there are 65 (40%) women and 97 (60%) men, and 3 (30%) women and 7 (70%) men in the Management Board.

In 2023, 308 people with disabilities worked at FUIB, and 964 employees were on maternity leave. There are 2,761 young people under 35 in the bank, 3,040 people over 35 working for FUIB, and 1,045 colleagues over 50. In 2023, the youngest age of FUIB employees was 18-19 years.

In 2023, FUIB **provided insurance** to 5,109 people, including: 4,777 – voluntary health insurance, 332 – life insurance. In 2024, it is planned to introduce insurance for mobilised colleagues.

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 the event of an employee's death. In 2023, **440 employees received financial aid totalling over UAH 9.5 million**.

In addition, since 2022, the bank has been providing **comprehensive support to its employees** due to the war. Some of the bank's employees work in dangerous regions and receive **a salary supplement**. The bank provides **financial aid 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, or in case of family members leaving the occupied territories. **In 2023, the amount of aid paid to employees in connection with the full-scale war was UAH 53.2 million**.

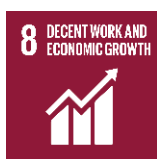
The Bank **continues to support 145 mobilised colleagues**, who receive full salary and retain their positions during their service. War veterans are employed by FUIB after returning from the frontline. **150 children of employees from the frontline areas were rehabilitated** in Western Ukraine.

In 2024, FUIB plans to expand the list of cases of financial aid (at the birth of children and during the mobilisation of employees) and review the cost of providing this aid.



FUIB's investments
**in financial support
for employees**
in 2023:
over UAH 61.2 million

Occupational health and safety



In 2023, FUIB traditionally invested in **creating safe, healthy and comfortable working environment**.

In 2023, the bank's occupational health and safety service checked for compliance with occupational health and safety requirements at regional centres, units where vehicles and equipment are operated, and where high-risk work is carried out. Measures were taken to improve employee safety, fire safety, accident and emergency prevention, and their implementation was monitored.

In 2023, the e-course on occupational health and fire safety for employees was updated. Occupational health and fire safety instructions were updated. Briefings on labour protection and fire safety, training and testing of employees' knowledge were carried out.

Pre-trip, preliminary and periodic medical examinations of drivers were carried out in medical facilities. Premises and buildings were provided with fire extinguishers, their maintenance, 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.

In 2023, one work-related accident was registered as a result of a road traffic accident. Employees of the occupational health and safety sector are constantly working and interacting with state regulatory authorities in the field of labour protection, fire safety, ecology and the social insurance fund.

FUIB's investments
**in occupational health and safety
of employees**
in 2023:
over UAH 18 million

Staff development and training



In 2023, 484 training sessions were held on unique topics, of which 426 were organised online and 69 were held in person. A total of 30,275 participants took part in training last year. **5,674 employees completed one or more training sessions, accounting for 84% of the bank's total workforce.**

In 2023, the **Leadership in Time of War** programme for support and development of managers was continued: 15 webinars were held on the topics of modern and post-war challenges and Ukraine's



recovery, Storytelling, communication, personal productivity, artificial intelligence, coaching, etc. The total number of participants was 1,385.

As part of the **Management School** programme for heads, 17 trainings were held with a total of 550 participants.

The internal knowledge exchange programme “**Svii Do Svoho Po Svoie**” experienced significant growth. We held 15 webinars attended by 3,180 participants.

As part of the “**We Speak Ukrainian**” programme, we held “Live Talk” meetings, meetings of the “We Speak and Write Ukrainian” project, and for the first time organised a language growth dictation on the occasion of the Day of Ukrainian Literature and Language. A total of 19 meetings were held with a total of 970 participants.



We held 2 sessions of the **Product Owner School** for 33 participants, with 26 training modules.

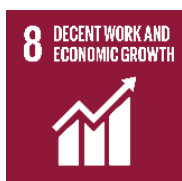
As part of the Onboarding programme, 38 **webinars** were organised for new employees of the bank, attended by 1,175 participants.

The **Speaking club** continued to operate, where bank employees practised their English communication skills. We also launched offline English classes at the bank’s head offices.

In 2023, the bank invested UAH 9,351,814 in the development and training of employees, increasing investments by one third compared to the previous year.

FUIB’s investments
in the development and
training of employees
in 2023:
UAH 9.4 million

Staff motivation and support



FUIB annually **reviews salaries**. In 2023, taking into account the situation on the labour market, **salaries were increased by an average of +13% for 96% of the staff**. The average salary in the bank was UAH 31,255.

In 2023, FUIB had **46 motivational schemes for quarterly and monthly bonuses, project motivation for 9 cross-functional teams, 11 separate motivation programmes to support sales of retail and corporate businesses, and annual motivation for heads of all levels based on annual performance appraisals.**



FUIB has approved and implemented **career development programmes** for various categories of staff. **In 2023, more than 1,200 colleagues were promoted to new positions**, including: 30% were transferred to another unit, 70% within the current unit. The transfers took place under the career development programme in the units with career maps and assessments of professional competencies within the unit, as well as during transfers to other units with a change in function.

FUIB employees are granted **all types of leave in accordance with the current labour legislation**. For the period of any leave, 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 2023, FUIB entered the TOP-50 best employers in wartime according to Forbes magazine and was ranked first 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, weekly newsletter Pulse of the Bank and Yammer corporate social network). With the help of video streams from the bank's top managers, FUIB Live, colleagues feel the support of management and receive honest answers to their questions. In 2023, 8 broadcasts were held, which is 6,731 unique views. The bank also has an **HR chatbot**, which helps employees get answers to pressing questions.

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 its employees called **“Customer is My Inspiration”**.

FUIB enjoys **providing development opportunities for young people without work experience**. In February 2021, FUIB **signed the Pact for Youth – 2025**. The bank has joined forces with other companies, the state and educational organisations to create internship programmes and workplaces for young people to start their careers. The document also aims to help the signatories to employ university graduates and provide mentoring support for students. In 2023, FUIB provided 21 young specialists with jobs.

The bank has a **Psychological Support Service**. Psychological counselling for employees is provided by **Wellbeing**. In 2023, employees received 650 individual psychological counselling sessions and everyone joined the “Strong Together” psychological support groups, which lasted for 5 months. The total number of participants was 365. Meetings were held daily on business days, where people could discuss their problems, get answers from a specialist, and express themselves through helping others.

The “FUIB, keep going!” support programme includes a Telegram channel of the same name [Wewillsurvive fuib](#), 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 has been joined by **1,190 colleagues**. Since the project's inception, **24 webinars** have been held with a total of **4,025** participants, who discussed relevant topics of psychological support, gained skills in remote and crisis management, emotional literacy, etc.

FUIB constantly studies the experience of employees in the bank. In 2023, the **eNPS** indicator, the level of staff loyalty **was 75%, increased by 9%** compared to 2022 (66%). During the survey, colleagues noted that: the bank effectively responds to the challenges of wartime, makes a significant contribution to supporting Ukrainian society, and supports employees informationally, financially, motivationally and emotionally.



Corporate volunteering

In 2023, First Ukrainian International Bank continued to develop a culture of volunteering among its employees.



In June 2023, the bank's **PUMB RUN Running Club** was relaunched. The purpose of the club is to create a culture of healthy lifestyle and support Ukrainian defenders. Each run of a club member over 3 km means improved health and FUIB's contribution to the Fund for Assistance of Mobilised Employees. The Fund raises money for the needs of colleagues who are defending our independence. The training sessions are counted using the Strava application. More runs – more help provided.

In 7 months of 2023, members of the PUMB RUN community went for more than 3 thousand runs. 127 colleagues took part in it. The total distance covered was over 23 thousand km. Throughout the year, webinars were held for runners, as well as competitions. FUIB's own online race includes distances, winners, and commemorative medals. Each distance is also a transfer of funds to the Fund for Support of Mobilised Colleagues. In total, the club's runners raised UAH 150 thousand, which was used to purchase 10 bulletproof vests for defenders.

In 2023, the bank's employees donated UAH 1.9 million to the **Fund for Support of Mobilised Colleagues**. Protective equipment, gear and outfit, tactical clothing and footwear, and tactical first aid kits were purchased for 90 mobilised colleagues, husbands and sons of our female employees. Since December 2023, the bank has been doubling the amount raised by its employees to strengthen its support for the defenders.

Our **blood donation tradition** is now 8 years old. 8 years of employee involvement in shaping the culture of blood donation in Ukraine. In August 2023, FUIB's team held a Donor Day at the Kyiv Military Hospital to donate blood for the wounded. New groups of seriously wounded defenders arrive at the medical institution every day, and in summer, due to the holiday period, there is a shortage of blood. As part of the bank's social initiative "We Are of the Same Blood", 55 employees donated 24.7 litres of blood. This helped 165 defenders recover or even save their lives. The bank's team was accompanied at all stages of the donation by volunteers from Blood Agents. After the donation, our colleagues treated the wounded to some necessary items and delicacies, as well as haemostatic T-shirts from Lifesavingmerch.



On December 6, 2023, FUIB's Donor Day was held in the new and convenient OKipna office in Kyiv. On the Day of the Armed Forces of Ukraine, the team thanked the unbreakable defenders, volunteers and civilians – they donated blood to Ukrainians affected by the hostilities. A mobile team from the Blood Centre of the Shalimov Institute of Surgery and Transplantation came to the bank's head office. Blood Agents accompanied the donation process. 47 donors donated more than 21 litres of blood, giving 141 Ukrainians a chance at life.



In November 2022, the bank set up a **Mutual Aid Cash Desk**. Over the year of its existence, more than 1,500 members of the Cash Desk helped 52 employees who found themselves in difficult life circumstances. They received financial aid from colleagues in the amount of UAH 1.7 million.



From December 6 to 25, 2023, in the “**Gifts for Health**” store from **Tabletochki and FUIB**, you could buy gifts that bring children with cancer closer to victory over cancer: bone protection during chemotherapy, safe blood transfusion, etc. Employees, customers, partners, and friends of FUIB and Tabletochki raised a total of UAH 438,370. FUIB Bank doubled its contribution. The total amount raised was almost UAH 900 thousand. All the funds were used to help children fighting cancer. Currently, about 500 children are under the care of the Tabletochki Fund every month. Most of them are treated at Okhmatdyt (Kyiv) and Western Ukrainian Specialized Children’s Medical Centre (Lviv).

The bank’s Management Board supports employee volunteer initiatives by financing organisational arrangements for their implementation: providing premises, transporting employees, purchasing auxiliary materials, etc.



ENVIRONMENTAL PRINCIPLES

Principle 7: Businesses should support a precautionary approach to environmental issues.

Principle 8: Businesses should take initiatives to increase their responsibility for the environment.

Principle 9: Businesses should promote the development and dissemination of eco-friendly technologies.

Policy

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

FUIB complies with national legislation in the field of environmental protection. Much attention is paid to the development of environmental culture among the bank's employees, partners and customers.

Implementation



By implementing innovative technologies in business processes and customer service, FUIB **supports green standards** and makes its contribution to environmental protection.

The bank's self-service systems are convenient for customers and profitable for business. FUIB provides customers with the opportunity to be served remotely via mobile banking and self-service terminals. This is a significant saving of natural resources and energy that would have been required to organise the work of branches. In 2023, 1.4 million customers actively used FUIB's online banking (+17% for the year).

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 2023, FUIB continued to work on **energy conservation**: replacing traditional lighting sources (incandescent, halogen, fluorescent) with energy-saving ones (LED technology); installing systems for automatic switching on/off of lighting in customer service areas 24/7; installing compensating devices in ventilation systems.

In 2023, electricity consumption in FUIB's network did not decrease compared to the previous year due to the opening of a new head office in Kyiv and the reopening of branches that were closed in 2022 due to occupation or significant damage.

In 2023, the bank **transferred 64.8 tonnes of paper for recycling** (a 17.5% decrease in paper use over the year).



In 2023, FUIB transferred 0.15 tonnes of hazardous waste for recycling (reducing the amount of such waste by 5 times compared to the previous year), as well as 1.1 tonnes of plastic bank cards.

In 2023, we **continued to collect used batteries**. In total, 23.4 kg of batteries were collected and transferred for recycling in 2023.

In 2023, the bank invested UAH 901.3 thousand in household waste collection, hazardous waste disposal and energy conservation.

The bank's investments
in
environmental protection
in 2023:
UAH 901.3 thousand



COMBATING CORRUPTION

Principle 10. Businesses should oppose all forms of corruption, including extortion and bribery.

Policy

In 2023, 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 Conduct are binding on all employees of the bank.

In 2014, the bank approved and in 2022 updated the **Antitrust Compliance Policy**, the main purpose of which is to prevent violations of competition law by the responsible units of the bank, as well as the **Procedure for Ensuring Control over the Use of Classified Information**, which helps to preserve confidential data.

In 2016, FUIB adopted the **Anti-Corruption Programme of JSC “FUIB”** and in 2019 it was revised. The Anti-Corruption Programme establishes a set of rules, standards and procedures for detecting, combating and preventing corruption and is applied in all areas of the bank's activities.

In 2023, **FUIB did not record any facts of criminal prosecution of employees in connection with corruption violations**. The methodology of fighting corruption is conservative, the main measures are training, responding to requests from customers and bank staff, and verifying the validity of charitable aid.

Implementation



Following the recommendation of the UN Global Compact, which provides for reporting on actions and initiatives taken to combat corruption in accordance with two levels of responsibility (core reporting elements and targeted reporting elements), FUIB chose to report on the core elements (B1-B7).

Reporting element B1: Public statements to combat corruption

Rejection of bribery and combating corruption is one of the fundamental principles of doing business in FUIB, which is enshrined in the bank's Code of Corporate Ethics. FUIB opposes any attempts of corruption and bribery to gain additional competitive advantages. The bank strictly adheres to the rules of selecting suppliers without unreasonably favouring any of them.

Reporting element B2: Striving to comply with the current laws

One of the principles of FUIB's Code of Corporate Ethics is **legality and the rule of law**. The bank carries out its professional activities on the basis of strict compliance with the Constitution of Ukraine, current legislation of Ukraine, international legal norms, regulations of the National Bank of Ukraine and internal documents of the bank.

FUIB's anti-corruption programme was developed in accordance with the Constitution of Ukraine, the Law of Ukraine “On Combating Corruption” and other anti-corruption legislation. In accordance



with the order No. 171 dated 22.04.2016, the Deputy Chairman of the Management Board of the bank, to whom the Security Department is subordinated, was appointed as the Authorised Officer for the implementation of the Anti-Corruption Programme. It develops and keeps the bank's Anti-Corruption Programme up-to-date and annually reports to the Management Board and the Supervisory Board on the results of its implementation.

Our bank has **a compliance function**, which is an independent activity within the internal control system that ensures control over the risk of regulatory sanctions, financial losses, reputational losses arising from non-compliance with the law, provisions of internal documents, fair competition standards, conflicts of interest, and non-compliance with corporate ethics.

Since 2022, the National Bank of Ukraine, from the first day of Russia's large-scale invasion, has 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 inadmissibility of cooperation with the aggressor in any way. 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 – citizens of Russia and Belarus, legal entities where the ultimate beneficial owners are citizens of Russia and Belarus;
- limits on cash withdrawals, cross-border transactions, restrictions on early termination of deposit agreements for certain categories of depositors;
- restrictions on the purchase and sale of foreign currency by both individuals and legal entities;
- requirements to organise the work of branches and to strengthen the continuity of processes (availability of generators and additional communication channels).

The Bank ensures compliance with all NBU requirements introduced during the martial law period. In the field of consumer protection, FUIB has a mechanism for assessing customer and employee satisfaction – **NPS/eNPS**, 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 combat corruption

FUIB has a regulatory document aimed at preventing conflicts of interest and violations related to procurement from external suppliers – **a procedure for selecting contractors has been adopted and is kept up to date, which ensures transparency and openness of procurement**. The terms and conditions and results of tenders and competitions are published on the corporate website. FUIB has established a Tender Commission that selects suppliers based on the documentation provided by the tenderers. The bank constantly updates its internal regulations governing the work of the Tender Commission, procurement procedures and selection of suppliers. The Management Board of the bank approved the Regulation “On the Third Party Risk Management System”, which operates within the scope of the overall operational risk management system.

Since 2012, the bank has had in place, and in 2023 updated, the “**Procedure for Declaring External Activities of Personnel**”, which stipulates that employees are required to inform the bank of their external activities (founders, owners, shareholders, top managers of other companies). This information is analysed to determine whether or not there is a conflict of interest between the employee, the bank, its customers and counterparties.



In addition, since 2012, the bank has had in place, and in 2023 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 2023, the Hotline received 2 calls as part of the total number of calls containing information about potential corrupt practices of the bank’s employees. The bank investigated both reports, and the information about potential corrupt practices of employees was not confirmed.

Reporting element B4: Support of anti-corruption activities by the organisation’s management

FUIB’s management shares the ethical principles and management approaches set out in corporate documents and participates in the improvement of internal standards.

FUIB has established and operates the **Ethics and Business Conduct Committee**, which includes top managers of the bank. The Committee is chaired by the HR Director. In 2023, the “Regulations on the Ethics and Business Conduct Committee of JSC “FUIB” were updated. The main purpose of the Committee is to ensure that FUIB implements the unified standards and principles of SCM businesses in the field of corporate ethics and business conduct.

The Committee’s responsibilities include:

- responding to reports of violations and monitoring compliance with the Code;
- developing recommendations to improve the bank’s business ethics;
- monitoring the impact of business ethics standards on FUIB’s corporate culture.

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 and information transparency, equality and objectivity in decision-making.

The Supervisory Board and the Management Board of the bank support the policy of rejection of bribery and corruption and call on all staff to act in the interests of the bank, its owners (shareholders), customers and society, as well as to ensure the safety of entrusted resources and prevent abuse of rights and powers. Investigation of suspicions of bribery and corruption is carried out regardless of the level of risk involved, the position/job title of the employee or the relationship with FUIB.

In accordance with the recommendations of the Basel Committee on Banking Supervision, in 2011 the bank established the Compliance Control Division (since 2016 – 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: Informing and training employees on anti-corruption principles and standards of behaviour

FUIB uses **various communication tools** to inform employees about ethical principles and implemented anti-corruption tools:



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

All employees of the bank regularly undergo **training “Compliance and the Compliance Function at JSC “FUIB”**. This training course contains detailed information on the current procedures in the field of compliance control, including anti-corruption. In 2023, the e-course on compliance was updated, and more than 90% of the bank’s staff completed it.

In addition, in order to increase the level of knowledge of the anti-corruption legislation of Ukraine, international norms in the field of combating corruption by non-state legal entities and FUIB’s Anti-Corruption Programme, an **e-course for anti-corruption personnel was developed and implemented**. This course is mandatory for every employee of the bank.

In 2023, in order to control the awareness of the staff of the measures taken by JSC “FUIB” to combat corruption, an anonymous survey was conducted from November 10 to 30, 2023. It was attended by 1,533 employees (26% of the staff). According to the survey results:

- 99.1% noted that the bank’s management has an active position on preventing corruption in JSC “FUIB”;
- more than 90.5% noted that they know and understand the content of the Anti-Corruption Programme of JSC “FUIB”;
- 90.1% believe that the e-course on the Anti-Corruption Programme was useful.

Reporting element B6: Internal processes that ensure consistency of actions to combat corruption

FUIB has implemented the following internal processes to ensure compliance with corporate ethics and prevent corruption:

- **Hotline.** Since 2013, FUIB, as well as all other SCM companies, has been operating a single Hotline, which helps to respond promptly and effectively to cases of violation of the principles of corporate ethics, as well as abuse, fraud and corruption. Employees, suppliers and partners can call the Hotline to report violations they encounter in their dealings with SCM companies.
- **Compliance function.** The bank’s compliance function is carried out by the Compliance Control Department headed by the Chief Compliance Officer (CCO).
- **Financial and economic security.** The Bank’s Security Department has a special unit that is involved, among other things, in detecting and combating corruption. The Deputy Chairman of the bank’s Management Board, who is the supervisor of the Security Department, is appointed as the Authorised Representative for the implementation of the Anti-Corruption Programme in the bank.
- **Operational risk management system.** The bank has implemented the “Risk Management Policy” and operates the Operational Risk Management System, within which risk officers (employees appointed by the Order in each division or branch of FUIB) on a regular basis ensure the recording of information on the facts of operational and compliance risk, including the revealed facts of corruption, fraud in any of its manifestations, intentional actions of personnel or third parties. Based on the information received, the Security Department conducts investigations and develops measures to prevent the recurrence of similar facts in the future.

FUIB has implemented a **zero tolerance policy for fraud**. The Supervisory Board and the Management Board of the bank support the policy of zero tolerance to fraud and call on all staff to act in the interests of the bank, its owners (shareholders), customers and society, as well as to ensure



the safety of entrusted resources, prevent abuse of rights and powers. Fraud/suspected fraud is investigated regardless of the level of risk involved, the position/job title of the employee or the relationship of the contractors with FUIB.

Reporting element B7: Monitoring and improvement processes

FUIB pays great attention to monitoring and improvement of processes and programmes aimed at combating corruption.

The Compliance Control Department and the Commissioner for the Implementation of the Anti-Corruption Programme, who are involved in the process of combating corruption, regularly report to the Management Board and the Supervisory Board of the bank on the results of their work.

The effectiveness of anti-corruption processes is monitored by analysing the statistics of reports received by the bank from various sources.

Employees of the bank involved in the process of combating corruption are constantly improving their professional skills by participating in training events and specialised conferences.