



**UniCreditBulbank**

Bulgaria, Sofia

May, 2008

**UniCredit European Works Council:  
Improving Cooperation to Strengthen Social Dialogue**

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Second Main Event

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Industrial Relations - Focus on (Country and Group/Company)

**Project co-financed by EUROPEAN COMMISSION**  
Employment, Social Affairs and Equal Opportunities DG



Milan, 14 - 16 May 2008

Let's start  UniCredit Group

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## Collective Agreements and Individual Contracts within the Country/Company

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### In the Country system:

The legislation of Republic of Bulgaria allows signing of individual and collective agreements/contracts with the Employer. UniCredit Bulbank has entered into Collective Labor agreement (CLA) for period of two years time – in force from 01.01.2007 to 31.12.2008. Negotiations for the new CLA will be started at the end of May 2008.

- Is there the only possibility to sign individual employee contracts or also collective Labour Agreements?

The legislation of Republic of Bulgaria allows signing of business field CLA and CLA on a company level.

- If the system provides also for collective agreements, are these ones at Company and/or National level?

In UniCredit Bulbank the collective labor agreement is on a company level.

## Employee Representation in the local Group/Company

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At a Company level there are 3(three) Syndicates from the Former Banks – Bulbank, Hebros and Biochim. Their merger is planned to happen in June 2008.

■ **Which kind of “body” is entitled by Law to represent the employees within the Employer? Works Council and/or Trade Unions Delegates?**

In UniCredit Bulbank representatives of the syndicates, chosen by the General Meeting, are taking part in the negotiations for signing of the collective labor agreement.

■ **How are they appointed?**

The representatives of the syndicates are chosen by the General Meeting

■ **Are these body already established in each local Company/entity existing in the Country?**

There are such bodies in larger companies.

■ **In average, how often do these bodies meet the company reps?**

In general, these meetings are hold 3-4 times in the year.

## Employee Representation in the local Group/Company

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- Are there periodic regular meetings or it depends on the current topics?

Except these regular meetings there are others, organized according to specifically arising issues.

## Major Topics of Information, Consultation and Bargaining within the Company

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- Please list the major topics of bargaining (specifying if provided for by Law or by Company regulations)
  1. Employment
  2. Training, qualification and development of the staff
  3. Working time and breaks, holidays and labor discipline
  4. Health and safe working conditions
  5. Remunerations, benefits and compensations
  6. Conditions for syndical activities

## Major Topics of Information, Consultation and Bargaining within the Company

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### Within the Company:

- Please list the major topics of Information (specifying if provided for by Law or by Company regulations)
  1. Results from surveys of the employees' opinion.
  2. Annual presentation of the employees by structures
  3. Review of the payment levels
  4. Work load of the staff
  
- Please list the major topics of consultation (specifying if provided for by Law or by Company regulations)

## Major Topics of Information, Consultation and Bargaining within the Company

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- **Please list the major topics of bargaining (specifying if provided for by Law or by Company regulations)**
  1. Employment
  2. Training, qualification and development of the staff
  3. Working time and breaks, holidays and labor discipline
  4. Health and safe working conditions
  5. Remunerations, benefits and compensations
  6. Conditions for syndical activities



<b>TOPIC</b>	<b>LEVEL OF NEGOTIATION – IF PROVIDED</b>	<b>NEGOTIATION NOT PROVIDED</b>
<b>BASIC SALARY</b>	<i>A minimum salary for the company is negotiated, which is higher than the minimum salary for the country. The gross salary for each employee is negotiated individually.</i>	(PLEASE PUT A <b>X</b> IF THIS IS THE CASE AND/OPR SPECIFY THE INVOLVEMENT LEVEL IF ANY)
<b>WORKING HOURS</b>	<i>The working time in the company is in conformity with the Bulgarian legislation. Each employee in the company receives 5 /five/ days additional holydays for being available to work in the weekdays if necessary after the end of the regular working time. For work during the weekend and holidays overtime is paid according to the Bulgarian legislation.</i>	
<b>HOLIDAYS</b>	<i>National holydays – as defined by the government and by the Labor code.</i>	

<b>TOPIC</b>	<b>LEVEL OF NEGOTIATION – IF PROVIDED</b>	<b>NEGOTIATION NOT PROVIDED</b>
<b>JOB CLASSIFICATIONS</b>	<i>The titles of the jobs in the company are conformable to The National classification of professions /NCP/, which is compulsory for the employers. Consistently with it insurance thresholds are defined.</i>	
<b>PROFESSIONAL DEVELOPMENT</b>	<i>The career development in UniCredit Bulbank includes Executive Development Programs /EDP/ and Talent Management programs /TMR and UniQuest/ developed on a group level. Holding individual meetings for career development with the employees is part of the process of staff development in the company.</i>	
<b>WELFARE: PENSION SCHEMES</b>	<i>According to the Bulgarian legislation. In the collective labor agreement /CLA/ are negotiated some better conditions.</i>	

<b>TOPIC</b>	<b>LEVEL OF NEGOTIATION – IF PROVIDED</b>	<b>NEGOTIATION NOT PROVIDED</b>
<b>WELFARE: HEALTH INSURANCES</b>	<p><i>An additional medical service for the employees is provided through an agreement with a Health insurance fund, which includes:</i></p> <ol style="list-style-type: none"> <li><i>1. Pre-hospital medical help</i></li> <li><i>2. Hospital medical help</i></li> <li><i>3. Annual prophylaxis.</i></li> </ol> <p><i>It is contracted with an Insurance company a Group Life Insurance and Accident Insurance, with several levels of compensation</i></p>	
<b>ANY OTHER WELFARE “BENEFIT”</b>	<ol style="list-style-type: none"> <li><i>1. Long-term working disability compensation.</i></li> <li><i>2. Contract with company for labor medicine, providing assessment of the labor conditions and risk levels.</i></li> <li><i>3. Opportunity for employees’ holidays in the company’s rest bases, with the active participation of the syndicates in the process.</i></li> <li><i>4. A single financial benefit for:</i> <ul style="list-style-type: none"> <li><i>- Marriage</i></li> <li><i>- Birth of a child</i></li> <li><i>- Death of an employee or member of his family</i></li> </ul> </li> <li><i>5. Special fund, provided by the employer, for financial benefit for long and heavy illness.</i></li> <li><i>6. Canteen, medical and dentist rooms in the Head Office’s building.</i></li> <li><i>7. Availability of a fitness center and sauna in the Head Office’s building.</i></li> </ol>	

<b>TOPIC</b>	<b>LEVEL OF NEGOTIATION – IF PROVIDED</b>	<b>NEGOTIATION NOT PROVIDED</b>
<b>ILLNESS</b>	<i>According to the National legislation of Republic of Bulgaria and already described single benefits from the Support fund and the Group insurance.</i>	
<b>MATERNITY LEAVES</b>	<i>According to the National legislation of Republic of Bulgaria and single benefits from the company for employee's child birth.</i>	
<b>INDIVIDUAL DISMISSALS</b>	<i>Except the cases of disciplinary dismissals, when the labor relations are discontinued, a compensation amounting to 4 gross salaries is paid, the collective labor agreement allows even more.</i>	
<b>SAFETY AT WORKPLACE</b>	<i>The legislation obliges the employer to enter into an agreement with the Labor medicine company, to create a Labor committee for locations with staff over 50 employees and Labor condition groups for locations with staff below 50 employees.</i>	

## Company restructurings Collective dismissals/redundancies

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The merger of the three banks in 2007, with restructuring and centralization led to the merger of the following activities:

1. Back-office
2. Credit/Loan administration
3. IT
4. Administration

A new IT system and new business model has been introduced in the new bank.

As a result of the new business model, which led to the merger of branches of the three banks as well, there was planned decrease of the staff with 600. For the period 2005 – 2006 about 10 employees have been dismissed, and for 2007 - about 150 employees. These dismissals where combined with financial compensations for the employees.

## Company restructurings

### Collective dismissals/redundancies

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- **How must group/company restructurings be managed according to the local regulation from an Industrial Relations perspective?**
    1. Redirecting to other suitable activities in the company.
    2. Trainings, aimed at providing additional qualification
    3. Recommendation to another employer
    4. Mobility of the employees at higher positions
  
  - **Consultation/confrontation between Company and employee reps: is it provided for by Law or Labour Agreements?**

According to the Labor code /LC/ - /negotiations and arbitration/
  
  - **Is there the possibility to “social plans”? Are they agreed through negotiation or are they just provided by law?**

According to negotiated terms in the Collective labor agreement and by the law.

## Company restructurings Collective dismissals/redundancies

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- **Employee transfers between Group Companies within the Country (s.c. infra-group mobility): did you ever use it as instrument to manage restructurings?**

11 employees from the company are working in other banks in the company – mainly in Italy and Austria and around 10 employees from the group are working in the country.

- **Employee transfers between from/to different cities within the Country (s.c. territorial mobility): did you ever use it as instrument to manage restructurings?**

It works for higher positions, but for lower – it does not.

## **A contribute to the Joint Declarations: Training, Learning and Professional Development**

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**In UniCredit Bulbank special attention is paid to the following kinds of trainings:**

- 1. Induction training for new employees**
- 2. Product trainings**
- 3. Selling skills**
- 4. Personal skills**
- 5. Train the trainers.**

The Bank has four training centers in the country, and for the sake of convenience of the employees most of the training are conducted on regional basis.

In the structure of the HR Division there is an Assessment Center for employees, which works very actively for the professional development of the staff, together with the recruitment team.

The Company has a good team of internal lecturers, who transfer their experience and knowledge to the rest of their colleagues. We have been actively working on the mentorship of the new employees. A team of mentors is formed on regional basis.

At the intranet site of the bank are announced the vacancies, as well as the training programs.



## **A contribute to the Joint Declarations: Equal Opportunities and Non- Discrimination**

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The legislation of Republic of Bulgaria obliges the employer to separate 4% from the working places in the company for disabled persons.

The women in UniCreditBulbank have equal rights, they are 78% from the total staff and 56% from the management staff.

1. Separate of positions for disabled people.
2. Giving a real opportunity for a career development of women, Female Executive & Middle Management are 54% from the management staff.