



Communication on Progress Year: 2009

Basic data:

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Statement of continued support

STATEMENT OF CONTINUED SUPPORT

In the year 2009 as well as in the current year (2010), Hrvatska poštanska banka (HPB), continue to follow and improve the principals of responsible business performance. New HPB Management Board, which has started to work in this position in mid September 2009, gave a clear verification of its business objectives based on professional and responsible approach to all, especially risky aspects of business activities. The key point of HPB business activities is its special role being the largest bank in the state ownership that intends to be supportive to its clients – entrepreneurs, companies and citizens, as well as to the owner itself by implementing the measures of the economic politics.

With its offer of products and services, as well as with availability that has been created trough collaboration with Croatian Post, HPB became closer and more accessible to citizens and business partners, as well as to special civilian groups such as parturient women, youth, students and retirees – by performing retirement payoffs, but also state impairments and payoffs by HPB Group member – HPB Invest through bank's distribution channels of important strategic partner – Croatian Post.

HPB will continue with its permanent growth and business network expansion, will strive to improve its business trough the creation and development of new products and services as well as through competitive offer.

Despite significantly retrogression of business conditions and economy crisis that is still present in Croatia, HPB believes it will realize its most important business goals in 2010. HPB intention is to continuous implement the principles of responsible business through its activities and performance.

Čedo Maletić
President of the Managing Board



Business environment and business challenges

During 2009, the banking sector, as well as the complete Croatian economy, worked in exceptional circumstances that have so far been unknown to general public as well as to experts. The consequences of financial and economic crisis that have overtaken the world economy in 2008, continued to shake regional and national economies in 2009, and Croatia was not an exception.

In such environment Hrvatska postanska banka (HPB) entered the year 2009 with number of uncertainties that were burden to the bank's management throughout the year.

Along with the bank's internal challenges, Croatia was facing number of significant political and economic problems. In the middle of the 2009, Prime Minister suddenly resigned from his position and was replaced by his Vice Prime Minister. The new Prime Minister almost immediately started with heavy and unpopular economic policy measures, such as introduction of crisis tax, increase of value added tax (VAT), decrease of salaries and of some other rights in the public sector. All these decisions indicated that there was a determination to remove and overcome numerous obstacles in order to alleviate tough economic situation in the country. In cooperation with Croatian National Bank (CNB), the state managed to avoid scenario which would imply the International Monetary Fund's assistance. However, the great burden of crisis fell mainly on businesses and citizens. Around six percent drop of GDP for 2009, life standard decrease, consumption decline and loss of working places are only some of the most important indicators that describe the business environment in 2009.

For HPB the year 2009 was a year of significant changes. Soon after the Government's changes, the HPB Management Board was revoked, although its mandate was due to terminate in November 2009. At the same time, the new Management Board was appointed. Two new Management Board members took over the leadership in September 10, 2009, as soon as the approval from Croatian National Bank was released. The new management, having obtained full and strong support from their Supervisory Board, started with detailed loan portfolio cleaning and analysis, which was the cause of the majority of the problems the bank faced.

The bank's new management invested considerable efforts to carry out analysis of risky investments and was looking for solutions for certain poor investment choices. This endeavour has appeased the situation within the bank in such a way that the bank's liquidity improved, operating profit was showing growth trend and the equity was increased by hybrid deposits payment.

Regardless of the unfavourable economic environment and internal problems, Hrvatska postanska banka is determined in its intend to improve the corporate governance of the bank and at the same time to enhance the overall performance. The key to achieve these objectives is full and uncompromised commitments of the management and of all employees.

I. HUMAN RIGHTS

1. PRINCIPLE – COMPANIES SHOULD SUPPORT AND RESPECT THE PROTECTION OF INTERNATIONALLY PROCLAIMED HUMAN RIGHTS WITHIN THEIR FIELD OF THEIR INFLUENCE

2. PRINCIPLE – COMPANIES SHOULD MAKE SURE THEY ARE NOT COMPLICIT IN HUMAN RIGHT ABUSE

Implementation activities:

During 2009 and with reference to human rights protection, HPB implemented numerous activities in the field of the safety of information, protection of the bank's employee's rights, care for employees and education.

The field of information safety

Based on the decision of the Croatian National Bank on the most appropriate management of information system, during 2009 HPB adopted several ordinances that comprehensively stipulate this area. 2009. With their implementation confidentiality, integrity and availability have been improved and the better protection of employees and bank's clients' rights ensured.

Ordinances which were implemented in 2009:

- **Ordinance on physical and network safety and safety of application service systems** which prescribes the adequate protection of persons, place and assets encompassed in the bank's information system, prevention of unauthorized physical access, damage and place obstruction, protection of information in networks and accompanying network infrastructure as well as application services of information system. In order to secure appropriate protection of information assets in the information system, this ordinance prescribes a set of measures that have to be implemented in order to keep the satisfying level of physical safety on bank's locations and offices, to ensure safety management, protection and distribution of networks systems and data and to reduce the influence of safety incidents on network systems and provide the access to system's resources to the authorized users exclusively.
- **Ordinance on assets information system management** was implemented in order to secure the appropriate protection of information assets in line with the safety policy of information system. The ordinance prescribes ways, criteria and methods of information system's assets management during its life cycle and aims to increase the safety of assets in its life cycle. The safety shall be increased with the implementation of the of the processes from demand analysis to assets expenditure in line with the business goals of the bank to reduce the risk of aging of assets, unauthorized access to information assets and to create the framework for assets management in line with the best practices and consequently to ensure conformity with the safety policy of information system.
- **Ordinance on protection against malignant and transmissible code** prescribes a way of accomplishing an antivirus protection in the bank. It is prescribing the minimum set of rules which are necessary to be implemented in order to create the adequate protection against

malignant code of all employees, coworkers and all other persons that use servers, working stations and laptops within the bank's information system during their work. Antivirus software is installed, configured and activated on all computers in bank's ownership.

- **Ordinance on appropriate information system usage** which has a goal to secure efficient, effective, ethical and legal usage of all parts of information system, as well as of internet services in order to protect the bank, its employees, external partners and users of services the bank is offering.
- **Ordinance on backup storage of information system** defines responsibilities for creation of safety backup copies of all relevant and important data within the bank's information system. Its goal is to allow recovery and restoration of all important information with the minimum damage in the case of smaller incidents or misadventures with catastrophic consequences. All users of information system are obliged to store all bank-owned information to network discs that are given to them in order to create the backup copies.
- **Ordinance on reporting in information system** defined the system of reporting about relevant facts related to functionality and safety of information system and incidents that can harm the safety and functionality of those resources.
- **Information system risk management methodology** was implemented to ensure appropriate functioning and safety of bank's information system which comprises the risk assessment process, actions to reduce the risks to an acceptable level and maintenance of acceptable risk level in accordance with business goals and the information system basic principles. The methodology was created with the aim to enable analysis and communication of information system risks and its potential influence on business processes and bank's goals. It ensures better protection of information system which is storing, analyzing and distributing bank's information and providing easier and better decision making related to implementation of protection measures.

Using its professional services and HPB Intranet, HPB is implementing continuous education of its employees about the content of these ordinances, as well as about other basic aspects and problems of information safety. That way, HPB is creating preconditions for efficient privacy protection and safety of employees and clients.

Employee protection and care for employees

HPB has been implementing the **Ordinance on procedures and measures for protection of employees' dignity and protection of discrimination** since January 2009 which is protecting all employees of possible discriminating behavior because of their race, skin color, gender, sexual orientation, marital status, family connections, language, religion, political or any other belief, national or some other origin, assets, birth, social situation, membership in political party or union and physical or mental difficulties.

During 2009, individual counseling activities were carried out under the supervision of the Human Resource Management Office in compliance with the Ordinance on the protection of the dignity of employees and against discrimination. In addition, the Committee which consists of three members functions successfully in the bank, to which employees can address their appeals.

A part of employee counseling, was carried out during 2009 in order to provide support to employees in relation to their temporary individual problems in realization of business activities and difficulties in interpersonal relations.

The goal of mentioned activities is to sensitize employees about a possibility of individual counseling when they need support in subjective or objective circumstances that have potential to jeopardize their personal dignity or efficiency.

Education

- HPB continually provided education of new and existing employees in the Business Network Management Sector (cashier, personal banker, shift manager, subsidiary manager). The education was carried out by internal trainers from each organization units
- HPB organized employee education in Zagreb Branch Office (replacements for women on maternity leave and employees of the bank in Maksimir Street Subsidiary). Also, the education of HP (Croatian Post) was carried out, as a part of pilot project of opening HPB branch offices in HP venues.
- HPB organized and conducted education programs of new employees – trainees, in order to familiarize them with Bank’s business activities more thoroughly and to prepare them for their future work. After the completion of the educational program, all trainees are expected to take the trainees exam based on which their working status is determined.
- On demand and according to the needs of particular organization unit and in collaboration with competent organization units, specialized internal thematic educations are being organized.

Internal education and trainings during 2009 – total of 97 attendants of internal trainings:

No	Title	Number of attendants
1	Education of new employees of Zagreb Branch Office	7
2	Education of new employees with college degrees	10
3	Education of employees of HP within the project “HPB in HP”	34
4	Education of new employees of Maksimir Street Branch Office	5
5	Education of trainees in the Corporate Communications Office	1
6	Education about the usage of application system “Internal book“ and “Registry book“	12
7	Education Payment operations	28

- On demand of bank’s organization units and in line with determined needs, the bank organizes, in cooperation with competent educational centers, implementation of specific thematic educational programs led by lecturers - experts with the profound experience in the profession. The following external educational programs were conducted in 2009:

- "Finance for dummies" for IT Sector employees (modules included – the Banking Basics, the Banking Accounting and the Banking Transaction Basics)
- "Change management" for M1 bank management
- HPB provided funds for business and conversation English lessons which were carried out by the authorized foreign language school centers.
- HPB continued with employee education at the registered educational institutions. In 2009, one employee of the bank attended special education.
- In accordance with the Ordinance on professional perfection, employees of the bank attended open type professional educations in 2009 (such as HIBO, HGK, TEB, CREATIVA, HOUSING and other)
- HPB is organizing regular meetings of employees for ideas exchange and innovative thinking

E-learning system was installed in HPB as a tool for definition, organization and management of E-learning education programs. Education department was delegated to carry out all necessary activities related to system implementation, organization of education, employees testing and reporting about all activities implemented in the system usage.

Following educational packages have been installed:

- Contact center – FAQ
- Cashier
- Finacle

During 2009, following activities were implemented:

- Finacle educational package was created, implemented, tested and reviewed
- The last version of Cashier was reviewed
- The Cashier program was implemented and new employees educated Under the framework of HPB_HP pilot project
- Existing employees have been educated within Finacle program
- New functional elements were implemented within E-learning system

Participation in the project "Balanced Scored Card"

Under the supervision of the Strategy Office the bank has been implementing a "Balanced Scored Card" project within "Learning and Growth" dimension needs to be administrated. The Department of Education defines, monitors and reports on the mentioned dimension. Following key performance indicators have been monitored:

- Levels of innovation
- Working efficiency (Complaints)
- Absenteeism
- Hours of training (FTE)
- Employees' satisfaction index,
- Efficiency of vertical communication

These activities have been undertaken in order to track the aberrations from the market's average (or within the bank), to determine what are their reasons and to try to find solutions for overcoming these

situations. Mentioned activities are being implemented continuously, on the level of quartile reports in cooperation with the Office of Human Resources Management and the Strategy Office.

HPB library management

The bank has implemented the centralized register of supply and books. The register was introduced in order to adequately manage book records and reduce the costs of procurement of new books. Mentioned activities are being implemented continuously depending on the needs of organization units to supply new books or borrow existing ones.

Implementation of student and pupils' practice education

The bank is implementing obligatory professional students and pupils practice education.. The practice is being implemented in cooperation with organization units. After the practice is completed, the Department of Education issues certificate on successfully completed practice education. In 2009, five students of Zagreb School of Economics and Management (ZSEM) completed their practice in the bank.

Attendances at professional fairs

During 2009, the bank participated in ZSEM's "Student Future Day" in order to promote the bank as a potential and quality employer

Employees' data

During 2009, 63 new employees have joined the bank. The total number of bank's employees on December 31, 2009 was 973.

Structure of employees on December 31, 2009:

1) Based on type of employment

Temporary employment	Permanent employment	Total
58 *	915	973

* From 58 temporary employed, 22 of them are trainees.

2) Based on age and gender structure

Age	Total	Women	Men
19-24	60	46	14
25-29	199	141	58
30-34	221	138	83
35-39	170	125	45
40-44	104	74	30
45-49	82	54	28
50-54	89	67	22
55-59	34	22	12
60-64	13	5	8
65 +	1	1	0
Total:	973	673	300

Average age of bank's employees on December 31, 2009 was 36.7.

3) Based on gender structure of managers (M1, M2 and M3)

Men: 72

Women: 76

Future goals:

- Further development of internal acts that will enable even better protection of the interests of bank, its clients and employees. In this regard, four new internal acts are being prepared: Rulebook on Confidentiality and Data Classification, Document Management Procedures and the Business Continuity Plan and Instructions for handling violations of working rights
- Continue to track aberrations from the market's average (or within the bank), to determine what have caused them and to develop guidelines, whenever applicable, for dealing with those situations within the "Balanced Score Card" project.

II. WORK CONDITIONS

3. PRINCIPLE – COMPANIES SHOULD UPHOLD THE FREEDOM OF ASSOCIATION AND THE EFFECTIVE RECOGNITION OF THE RIGHT TO COLLECTIVE BARGAINING

4. PRINCIPLE – COMPANIES SHOULD SUPPORT THE ELIMINATION OF ALL FORMS OF FORCED AND COMPULSORY LABOUR

5. PRINCIPLE – COMPANIES SHOULD SUPPORT THE EFFECTIVE ABOLITION OF CHILD LABOUR

6. PRINCIPLE – COMPANIES SHOULD SUPPORT THE ELIMINATION OF DISCRIMINATION IN RESPECT OF EMPLOYMENT AND OCCUPATION

Implementation activities:

- During 2009, HPB implemented occupational health and fire protection training in compliance with the regulations of the Republic of Croatia and EU guidelines
- With the aim of fire prevention, the bank implements fire alert systems and fire suppression systems with gas FM-200
- Bank's employees are being educated about the fire prevention basics and employees are acquainted with measures and systems for fire prevention
- Bank's employees are educated on occupational health and possible sources of danger on work place in order to reduce work injuries
- During 2009, HPB provided all employees with additional health insurance with Croatian insurance company
- HPB does not employ underage workers. HPB upholds domestic and international initiatives that oppose to exploration and abuse of underage workers
- Overtime work is not requested from war veterans, pregnant women, mothers with children up to two years of child's age, single parents up to six years of child's age, handicapped child's parents, employees older than 55 (women) or 60 (men), without their consent

- HPB ensures safe working conditions in order to prevent employees' injuries

HPB Sport

HPB employees can do sport and recreational activities within the HPB Sport. They are also free to participate at bank's corporate sport games, organized by the bank.

HPB Sport Society is registered as a nonprofit association, financed through donations and membership fees. The Society had 266 members at the end of 2009, including HPB and Group members. The Society is primarily oriented on sport and recreation; however the culture and humanitarian work are not neglected. Recreation is organized and implemented in ten following cities: Dubrovnik, Osijek, Pula, Split, Šibenik, Varaždin, Vinkovci, Zadar and Zagreb. Besides recreation, HPB Sport is organizing team buildings of certain organization units of the bank.

Members of HPB Sport are regular participants of:

a) Sport activities

- Banking games – 9 medals and cups in different disciplines for 2009
- World Corporation Games Istanbul 2009 – volleyball and basketball, 2 medals (two disciplines) received
- Amateur tournaments in Zagreb – basketball league „Rekla“ first place taken, basketball league „KOALA“ was started in autumn 2009 and is still ongoing
- Football league „Tina sport“ – second place taken. Financial football league, winter 2009 – first place taken
- Biking for the Sovereignty Day – under our name and logo. The bank's employee from Vukovar participated.

b) Culture

HPB Sport is organizing and encouraging consumption of cultural contents. Its members and all other bank's employees are regular theater and cultural events attendees (they pay for their tickets by themselves).

c) Humanitarian actions

- Donation to Children Centre in Vugrovec – on several occasions.
- For three consecutive years, children of Children Centre Zagreb(and children of HPB employees are attending Christmas theater show and are receiving presents from Santa Claus
- Donation to Irena Matić, a young woman ill with leukemia

Future goals:

- Formulation of basic principles for creation of a part of crisis management procedure - “Emergency Management“ – for situations such as armed robberies and other situations in business environment with potential impact on physical and mental health of employees. The goal is to create a comprehensive crisis management procedure on the bank level.

- Further amendments in internal acts of bank in compliance with amendments of acts and regulations – Occupational Health Ordinance and Fire Protection Ordinance
- Education of employees in the field of occupational health via E-learning due to its larger accessibility and faster communication
- Improve the quality of work place with ergonomics
- Implementation of internal acts, procedures and guidelines:
 - 1) Ordinance on confidentiality protection and data classification which prescribes the procedure for protection of confidential data are created, taken over, assessed, stored or forwarded in the resources of bank's information system. The Ordinance defines a way of classification and identification of business data based on their confidentiality, as well as measures for protection of confidentiality in all of their life cycle phases. Clients and business data present a first-class bank's resource that must be adequately protected pursuant to applicable rules and regulations and the bank's business interests. Consequently, all information must be classified depending on the level of their sensitivity and possible consequences of violation of basic principles of information system safety. Any exposure, temporary or permanent loss, abuse or unauthorized modification of such data can threaten bank and its clients' interests and violate legislation.
 - 2) Documents Management Procedures that define conditions and responsibilities for qualifying, publishing, assessing, approving and implementing changes in documents and their archiving.
- Further improvement and protection of safety with implementation of quality education in order to improve overall working conditions with the lowest level of stress and possible employees' injuries.

III. ENVIRONMENT

7. PRINCIPLE – COMPANIES SHOULD SUPPORT A PRECAUTIONARY APPROACH TO ENVIRONMENTAL CHALLENGES

8. PRINCIPLE – COMPANIES SHOULD UNDERTAKE INITIATIVES TO PROMOTE GREATER ENVIRONMENTAL RESPONSIBILITY

9. PRINCIPLE – COMPANIES SHOULD ENCOURAGE THE DEVELOPMENT AND DIFFUSION OF ENVIRONMENTALLY FRIENDLY TECHNOLOGIES

Implementation activities:

- Electronic waste is disposed in accordance with the terms of contract concluded with suppliers and applicable laws and regulations – the price of that service is included in the price of IT equipment. Once the old IT equipment is out of use, the bank invites responsible company to dispose waste to the landfill. Once the company had disposed the waste, it is obliged to give bank a receipt that the waste was properly disposed.
- HPB orders the most contemporary and most energy efficient IT equipment.
- HPB uses virtual servers (*virtualization*) – on the physical server several logical servers are installed which reduces energy consumption. It is estimated that the bank saves around 300,000 kWh per year.

- With the development of electronic banking and informatisation, HPB is continuously reducing paper consumption and printing needs. With document scanning and *Documentum* – Document Management System implementation the bank reduced printing needs and paper documentation. Besides mentioned, HPB started the Document Digitization Project.
- In compliance with Ordinance on loan risks management, during loan analysis HPB takes the ecological aspects of the borrower's business operation into consideration. During the environmental protection analysis, HPB tends to determine whether the client operates in a way which would be harmful to environment – does it release any harmful substances to environment, does it distribute or sell pesticides and herbicides forbidden by international regulations, does it produce, store or process radioactive waste (including radioactive waste, unsafe waste storage, its processing or removal), does it produce asbestos or asbestos containing materials, and are technical aspects of business adjusted in line with ecological norms and standards and environmental protection regulations.

Future goals:

- In 2010, HPB is planning to start the *Total Printing* project, which should reduce the total amount of printing and therefore the consumption of toner, paper and electric energy. Also, a part of old printers will be replaced with new ones – technologically advanced and energy efficient.
- In 2010, HPB plans to introduce the use of “green” disclaimer (environmental provisions and confidentiality) and to suggest its use as the bank's standard that will be placed at the end of every sent email.
- Further activities on the Document Digitization Project – archiving and classification of documentation.

IV. ANTI-CORRUPTION

10. PRINCIPLE – COMPANIES SHOULD WORK AGAINST CORRUPTION IN ALL ITS FORMS, INCLUDING EXTORTION AND BRIBERY

Implementation activities:

Implementation of anti-corruption program

Determined in endeavors to eradicate corruption, the Croatian Government implemented two crucial anti-corruption documents in 2008: the Strategy for Combating Corruption (hereinafter: the Strategy) which defines principles, goals and areas of anti-corruption activities for a longer period of time, and the accompanying Action Plan to the Strategy (hereinafter: the Action Plan) which defines concrete measures and deadlines, competent implementation authorities and necessary financial means. The main idea of the Strategy and the Action Plan is to strengthen the legal and institutional framework, as well as all forms of corruption prevention, repression and improvement of international collaboration and collaboration with the civil society. The all public service authorities of the Republic of Croatia are obliged to adopt and implement measures with the aim of systematic elimination of causes of

corruption, including elimination of all shortages that favor corruption. These obligations are also applicable to the systems that manage significant public means and assets and implement procurement procedure for supply of larger volumes of goods and services and which employ a large number of employees. Governance structures of these systems have extremely important role and responsibility in the fight against corruption. Therefore, the Croatian Government decided to achieve anti-corruption goals and implement correspondent measures based on the Strategy's principles on the level of legal entities mostly owned by the State in the period of 2010-2012.

In accordance with the Anti-corruption Program for state majority owned legal entities for 2010-2012 period, which was adopted by the Croatian Government on November 26, 2009, HPB formulated the **Action plan for implementation of Anti-corruption Program in HPB for 2010-2012 period.**

The Government's Anti-corruption Program prescribes that the legal entities management shall strengthen governance and actively work on priority goals realization through active collaboration and partnership of all designated anti-corruption agents.

The following Government's anti-corruption priority goals shall be achieved:

1. Strengthening the integrity, responsibility and transparency
2. Creating preconditions for corruption prevention at all levels
3. Affirmation of "the zero tolerance" approach for corruption

In this respect, the bank's Anti-corruption Program placed the special emphasis on the five thematic areas:

- Improving quality of services in the public sector – increasing responsibility for successful tasks realization and promotion of integrity and transparency
- Fulfillment of tasks in a proper, ethical, economic, efficient and effective way
- Business operations organized in accordance with laws, regulations, policies, plans and methods
- Protection of property and other resources from the loss originated from poor management, unjustified spending or because of malfunctions and frauds
- Financial reports and business results monitoring in due time

In total 25 activities were defined in accordance with Action plan for implementation of Anti-corruption program in HPB for the period of 2010-2012. For each of prescribed activity the target groups were defined, with deadlines and competences.

Fight against money laundering and terrorist financing

During 2009, following activities were implemented against money laundering and terrorists financing:

- The bank aligned its general and specific legal acts with the respective laws and regulations during 2009, i.e. with the Act on Money Laundering Combat and Terrorism Financing, ordinances of the Ministry of Finance such as the Guidelines for analysis and risk assessment for money laundering and terrorism financing for loan institutions and loan union of the Croatian National Bank and the Guidelines for implementation of Money laundering combat and terrorism financing as for entities under HANFA's authority)

- Measures, actions and procedures for exposure and prevention of money laundering of terrorism financing which are undertaken in business operations are proportional to identified risks related to money laundering or terrorists financing
- Internal revision supervises implementation of measures, actions and procedures in all business fields
- AML/CTF employees are being continuously educated; especially new employees, in line with the Annual education program for prevention of money laundering and terrorists financing
- Defined customer demands for IT system development and update in the field of exposure and prevention of money laundering and terrorism financing

Prevention of market abuse and manipulation

In June 2009, the Investment Banking Sector adopted a new **Ordinance on prevention of market abuse and market manipulation**. The **Ordinance** prescribes measures and activities to be undertaken by the bank in accordance with provisions of the Equity Market Act in order to disclose and prevent activities and actions that are considered to be market abuse, according to HANFA regulations.

Measures and activities for prevention of market abuse and negative consequences related to each financial instrument for which a certain transaction was made, either on ordered market or outside it, are considered to be bank's measures and activities for market abuse prevention.

Future goals:

- Implementation of Anti-corruption program in line with specific goals and prescribed measures
- Further development and improvement of money laundering prevention and terrorists financing system and internal control system in the area of risk assessment processes related to money laundering and terrorists financing
- Further alignment of bank's internal acts with the Act on Money Laundering Combat and Terrorists Financing,
- Anti-corruption education of employees
- Further development and improvement of application support in detecting and preventing money laundering and terrorists financing

Contribution to community

During 2009, HPB carried out number of projects which contributed to quality of life of its employees and community. The bank developed and introduced initiatives and projects oriented on supporting sustainable economic development, improving of quality of life and environmental protection.

Donations and sponsorships

As the largest majority state-owned bank, HPB has a specific responsibility to make contributions to community through donations and sponsorships and to encourage projects on the local or national level. Donations and sponsorships are granted based on clearly defined criteria for project selection which also leads to better quality of projects.

During 2009, HPB mostly invested in sport, culture, education and science.

- Sport: basketball club Kaštela, football club Junak, football club Klanjec, rowing club Ekonomist, karate club Croatia
- Culture: Šibenik theatre, the Krapina Acting Festival, The Kajkavian Cultural Creativity Society, Vinkovci Autumns, Ivo Tijardović Brass Orchestra, Opera Under the Stars
- Education and science: The Mediterranean Institute for Life Sciences (MeDILS), the Croatian Catholic University, the Faculty of Economy in Split, Vukovar High School of Economics, “Silvije Strahimir Kranjčević” Elementary school, equipping city kindergarten in Benkovac, the Faculty of Agriculture in Zagreb (publishing of the Atlas of Croatian viticulture and wine production)
- Humanitarian work and health: humanitarian action of daily newspaper Glas Slavonija “A voice for a new day”, Lions Club International (humanitarian Diplomatic ball), Education initiative association, Rijeka Clinic Hospital, Dubrava Clinic Hospital
- Ecology: Marča Association – “Beavers in Marča” project

HPB also predominantly sponsored sport and culture during 2009, following the practice of previous years. HPB sponsored a wide specter of sport disciplines: football, basketball, boxing, athletics, skiing, handball, sailing etc.

- Sport: Blanka Vlašić, Siniša and Nikša Skelin, Croatian Gymnastics Federation, World Handball Championship, Basketball club Zagreb, Football club Cibalia Vinkovci,
- Culture: Zagreb Philharmonic Orchestra, “Šokačko sijelo”, Croatian Baroque Ensemble, “Sinj Alka”, Concert “Zadar, we love you”, Easter in Cibona, Concert for Mothers’ Day in organization of the Zagreb Philharmonic Orchestra
- Education and science: Forum CEM, Seminars SAPARD/IPARD, Conference “The future of family companies”, Conference “Global financial crisis”

During the last few years, HPB has been strongly supporting national culture, arts and sport. In addition to sponsorships and donations, with its products and services, the bank in partnership with Croatian Post (HP) became close and accessible to citizens and business partners across Croatia. Also, HPB’s services and products have become available to parturient women, youth, students and retirees. Moreover, HPB also organized “Financial forum” every month in the first year’s half. “Financial forum” is a round table discussion about current financial topics in the state and in the world.

Activities in culture

- In April 2009 and in partnership with HRT, Večernji list and Matica Hrvatska, HPB initiated a literary award for the Best Croatian book of the year. The award went to the author of the best book written in Croatian language published in 2008, Tonči Matulić for “Metamorphoses of culture”
- In cooperation with Zagreb Philharmonic Orchestra, HPB granted award for the best young musician of the year for the second time
- HPB continues cooperation with Croatian artists (12 female painters) whose paintings are put together in an artistic calendar. A cycle named “Ladies choose” gather the works of Marija Ujević, Nives Kavurić Kurtović, Pulina Jazvić, Koraljka Kovač, Petra Ševeljević, Tisja Kljaković, Ivana Puljić, Antonija Rusković, Jasna Maretić, Zdenka Pozaić, Anabel Zanze and

Ingrid Runtić. Paintings from the artistic calendar in the form of graphics were also given as a gifts to business partners, while some of the paintings are exhibited in HPB Business club.