Overview of Activities in PBZ's Social Responsibility Program

Privredna banka Zagreb has been at the peak of the Croatian banking sector continuously ever since it was founded. Today, as a member of one of the leading banking groups in Europe - Intesa Sanpaolo, we are a dynamic and modern European bank, which follows the demands of the market and our clients. Our joint strategy of growth and development aims at creating solid and sustainable values in an economic, financial, social and ecological sense founded on the confidence of all our partners and is based on the following values:

Integrity - We pursue our goals with honesty, fairness and responsibility in the full and true respect of the rules and professional ethics and in the spirit of signed agreements.
Excellence - We set ourselves the goal of continuous improvement, farsightedness, anticipating challenges, cultivating extensive creativity aimed at innovation; moreover we recognise and reward merits.
Transparency - We are committed to making transparency the basis of our actions, advertising and contracts in order to allow all our stakeholders to make independent and informed decisions.
Respect for individuals - It is our intention to combine large-scale operations with profound local roots and to be a bank with a broad vision, without losing sight of individuals.
Equity - We are committed to eliminating all forms of discrimination from our conduct and to respect differences in sex, age, race, religion, political and union persuasions, language or disability.
Individual values
The value of each single person is a guide for our modus operandi: we use listening and dialogue as tools for continuously improving our relationships with all our stakeholders.
Responsibility in the use of resources - We aim to use all our resources attentively, promote behaviour based on the best use of resources and the avoidance of waste and ostentation, and we give priority to choices that take sustainability into account.

Presented below is a brief overview of the activities undertaken in the Program during 2008.

1. Education and professional development

Starting from January 2007 PBZ Business School provides continuous managerial training programs for employees with high managerial potential on three levels: young potentials, junior managers, senior managers. In 2008 the second generation started a 3 year program bringing the total number population of PBZ business school participants at the end of 2008 to 425. By having more than 10% of our employees involved in these programs we have made a significant impact in the sense of company identity.

2. Internal communications

The internal communications system is very well developed through various channels: Intranet, e-mail, internal magazine "Moja Banka" and internal newsletter PBZXpress. They obtain all relevant information and interesting details from the life of the Bank, the PBZ Group and Intesa Sanpaolo and in this way contribute to a felling of belonging to the our large international multinational group. Also, all employees are invited to contribute to the content of the internal communication channels. During this year we have enriched our Intranet with some new sections and we started a pilot project of the internal web TV.

3. Care for employees

PBZ STANDARD is an association whose registered scope of activity includes organization of recreational and sports-educational activities for PBZ Group employees. It was established with a view to provide a wide range of recreational activities to Bank employees better health and general conditioning and eventually reducing sick leaves and the absence of employees from their workplaces. The Association has been active for four years and currently has about 2,100 members. Use of organized recreation is allowed also to the immediate family of our employees, meaning their spouses and children. PBZ STANDARD strives to enable recreation through as many sports as possible so as to stimulate Bank employees to socialize with each other and jointly contribute to the achievement of set goals as well as to strengthen their team spirit and make them aware of the fact that it is easier to achieve such goals with joint forces. PBZ STANDARD organizes activities under the name TOWARDS BETTER HEALTH initiative (lectures and workshops on prevention of the most common diseases of modern times). Every second year PBZ pays for general physical health examinations for every employee.

4. Donations and sponsorships

Privredna banka Zagreb endeavours to make a contribution and show its responsibility towards the wider community through sponsorship and donations. The Bank contributes to the development of local communities by actively involving our Regional branch offices in sponsorship and donation programs involving institutions, associations and individuals in Croatia. PBZ endeavours to support and initiate many cultural events and happenings, and contribute to the improvement of the overall quality of life of our community.

4.1. Donations

Donations in 2008

Science and education	718.900 kn
Sport	930.000 kn
Culture	378.000 kn
Social solidarity	4.000.000 kn
Others	1.500.000 kn
Total	**7.526.900 kn**

PBZ is actively involved in a whole series of socially beneficial projects and provides financial supports to a large number of humanitarian and social institutions. PBZ supports education programs, sporting

associations and many cultural institutions. The emphasis in PBZ's activities as a donor is on children, socially at risk families and institutions caring for the sick and infirm:

- The donation to the Humanitarian Foundation for the Children of Croatia for the purpose of providing support to 350 children under the care of the Foundation with a monthly amount of HRK 300.00 per child.
- From its very outset in 2003 PBZ has been involved as a co-founder of the major Caritas fundraising campaign "For One thousand Joys". The aim of the campaign is to raise money to help 1000 low income families in Croatia from funds which businesses set aside for Christmas and New Year's parties. As well as donating money every year, PBZ supports the campaign by buying Caritas' Christmas cards.
- Donation to the Center of autism in Split in one of many programs for family aid that we support
- PBZ also actively supports local and regional sporting events and organizations

For several years Privredna banka Zagreb has been donating its used computers (about 500 computers every year), printers and other IT equipment to institutions, children's kindergartens, schools and underprivileged individuals who show a need for this kind of equipment.

4.2. Sponsorships

Sponsorships in 2008

Science and education	465.000 kn
Sport	12.632.000 kn
Culture	550.000 kn
Others	392.000 kn
Total:	**14.039.000 kn**

Through its sponsorship policy, as well as promoting its own brand name, PBZ also seeks to support and encourage a large number of projects in the fields of culture, sport and science, and in that way contribute to the development of Croatian society.

- We are supporting some of major cultural events in Croatia: The Dubrovnik Summer Festival - widely known cultural event, traditional ethnological manifestation "Rapska fjera" and many other local cultural events
- The various cultural programs that PBZ has supported include sponsorship of the Croatian National Theatre in Zagreb, Croatian National Theatre in Varaždin etc.
- Traditionally, we are a sponsor of the ATP Croatian Indoors tournament

5. Projects

PRIVREDNA BANKA ZAGREB is actively involved in a CSR project - the workshops for citizens entitled "How to Balance Income and Expenditure", held in eight Croatian cities for over two years. Banks that had joined the initiative have together developed a programme for conducting free-of-charge interactive workshops on managing personal finances to the general public. Workshops are run by employees from the participating banks and Croatian Banking Association is coordinating the project and provides necessary logistical support. The banks recognized the importance of joint action, seeing as this was the first time that an entire business sector had come together and offered its clients a "solution" outside of its selection of products on sale. The aim of the workshops is, due to the High level of indebtedness and a relatively low level of citizen's financial literacy, to teach them how to make financial decisions, set their short-term and long-term objectives, and balance their means and wishes with regard to their income and expenditure, without offering them or promoting any bank products. The project has attracted over 1,400 participants to date in over two years and provided them with an opportunity to learn how to successfully manage their resources, and has been a success. In the end-of-workshop survey, 80 % of attendants said that the workshop achieved its aim of teaching them how manage their personal finances well or very well, and as many as 98 % assessed the organisation of the workshop as good or very good. Very successful cooperation was also realized with representatives of cities, local self-government and institutions, which provided space for the workshops. Over 80 facilitators from various banks had an opportunity to work together in the community for the

Workshop presenters

first time and to share their knowledge with its members. Media response to the workshops has been outstanding and a large number of reports on the workshops and their results have featured in the media. As for the future of the project, a new workshop is currently being developed, focusing on saving and investment. The new module should be presented to citizens in the following period, which will provide continuity to the workshops project and make it, or rather maintain it as one of the shining examples of corporate social responsibility in banking.

PBZ for many years has supported an international exchange program of students aged from 15 to 18 years organized by the AFS (Associated Field Service). This reputable international, voluntary and non-profit organization deals with the exchange of students. PBZ sponsors two scholarships for a one-year program abroad.

The PBZ Bridge project has been running since 2006 - as the first program of student loans with exceptionally favourable terms, which enables students to bridge the period between their studies and employment more easily.
The partner in the project is the Faculty of Electrical Engineering and Computing in Zagreb. For the best students scholarships are provided in cooperation with the Banca Intesa Sanpaolo, and they are given the possibility of attending the Double Degree Program at one of the most prestigious Italian faculties - the Politecnico di Milano.

6. Environmental impact

During building and reconstruction of the Bank's premises we use systems and equipment with low level of power consumption and high level of energy utilization. All air condition systems use ecological gas (Freon) and power of all systems is reduced using inverter technology. Reduction of paper consumption is reached by implementing the multifunctional devices as well as with bank-wide instructions to print on both sides of the paper.
Paper waste is gathered separately and collected by a contracted company that recycles it. Hazardous waste as cartridges are also separately sorted and collected by a contracted company which does business in compliance with laws and regulations.
Also in process is the project of implementation of interdepartmental envelopes.
During the training of employees for Fire protection and Safety at work one topic is environmental protection. Through this we are building up awareness of employees about environmental issues.
In accordance with the environmental protection and waste disposal regulations, the Bank is ensuring disposal of dangerous and environmental endangering waste, such as Freon gas (in servicing cooling and air conditioning systems), toners, neon light tubes, dangerous chemicals from Scanning and Microfilm Unit and other dangerous waste.
The above mentioned will be regulated with the new Rulebook of safety at work with associated directives which will be recommended to the Management Board for adoption in 2009.