

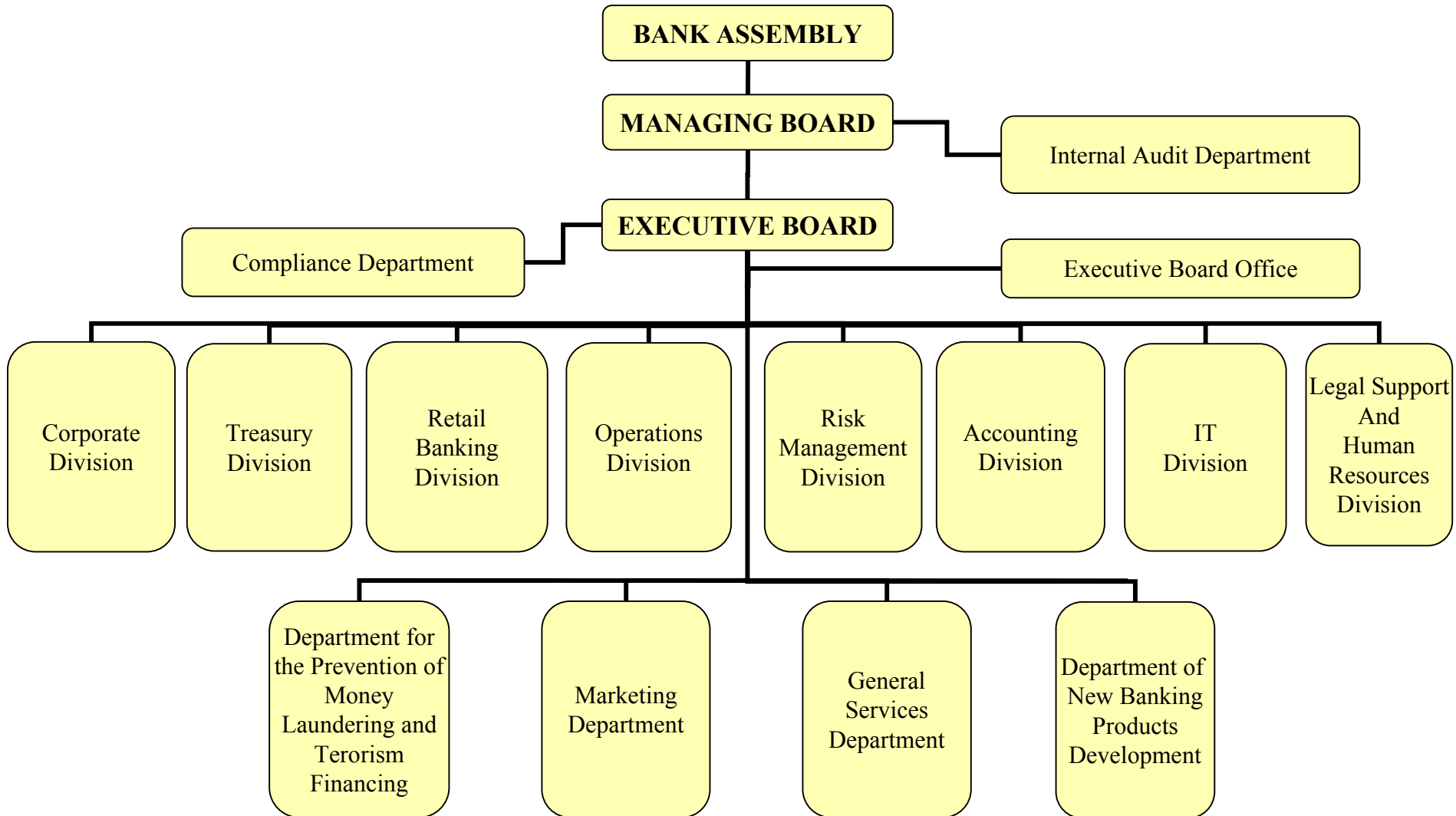
SRPSKA BANKA A.D.

- Historical overview
- Normative framework
- Structure of the Bank
- Corporate business
- Retail banking

- 1950. - Military Service within The National Bank of Yugoslavia
- 1997. - Yu Garant bank
- 2003. - Srpska banka a.d.

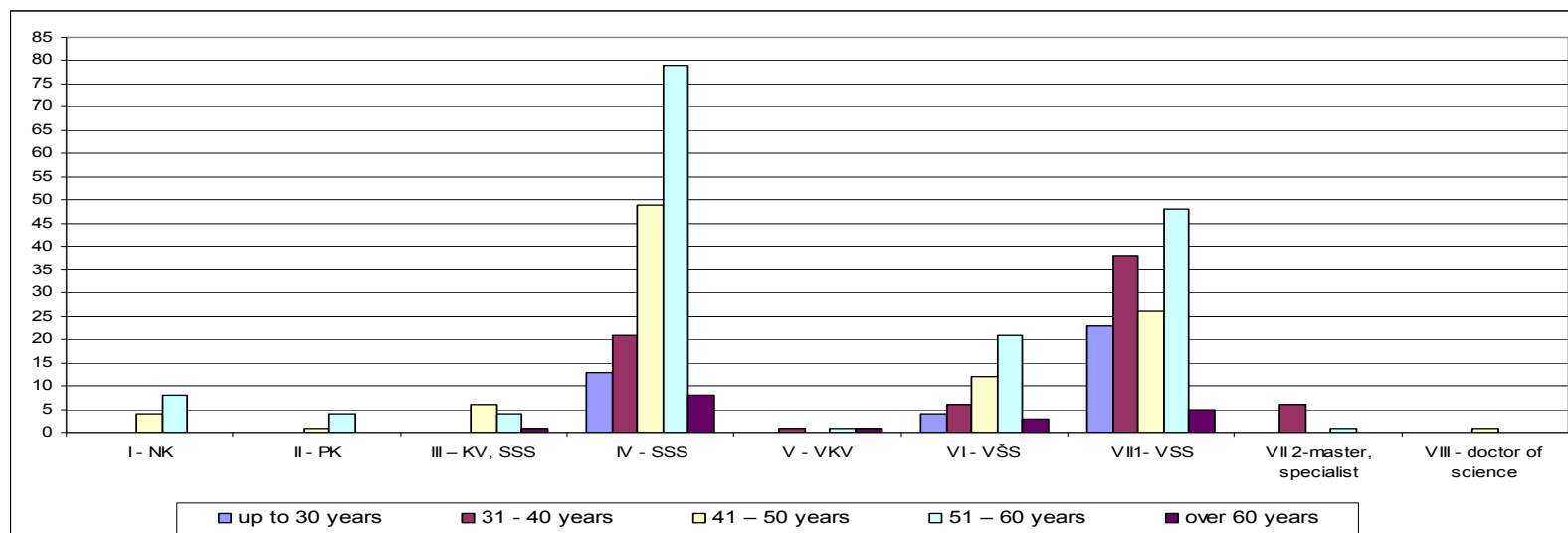
- Banking Law („Official Gazette RS”, no. 107/2005)
- Srpska banka Statute
- Bank’s procedures
- Rules of procedure concerning executives and management committees
- Internal acts

Organizational structure



Qualification and age structure of employees on 30.11.2009.

Age	Up to 30 years	31 – 40 years	41 – 50 years	51 – 60 years	Over 60 years	TOTAL
Degree of education						
I - NK	0	0	4	8	0	12
II - PK	0	0	1	4	0	5
III – KV, SSS	0	0	6	4	1	11
IV - SSS	13	21	49	79	8	170
V - VKV	0	1	0	1	1	3
VI - VŠS	4	6	12	21	3	46
VIII- VSS	23	38	26	48	5	140
VII 2-master, specialist	0	6	0	1	0	7
VIII – doctor of science	0	0	1	0	0	1
TOTAL	40	72	99	166	18	395



CORPORATE BUSINESS

Products and services

- Opening of current accounts in dinars and foreign currency accounts to legal entities (to residents and non-residents) and entrepreneurs
- **Payments in RSD**
 - Cash payments
 - Electronic payments
 - Submission of collateral instruments for enforced collection
 - Collection orders
 - Submission of settlement orders (cession, compensation and other)
 - Payments with earlier value date
 - Larger turnover of money due to time effective execution of transactions
 - Competitive tariffs
 - E-banking

International payments

- International outgoing payments
- International incoming payments
- Non-residents' payments
- Payments for business trips
- Documentary collections and foreign cheques
- Documentary Letters of Credit
- Nostro (import) Letters of Credit
- Loro (export) Letters of Credit

Correspondent bank network



- Currently the Bank has established correspondent relations and exchanged RMA with more than three hundred banks in six continents
- Main correspondent banks of Srpska banka a.d. are :

Austria VOLKSKREDITBANK AG, Linz
VKBLAT2L

Australia COMMONWEALTH BANK OF AUSTRALIA, Sydney
CTBAAU2S

Germany Standard Chartered Bank (Germany) GmbH, Frankfurt am Main
SCBLDEFX

HYVEDEMM BAYERISCHE HYPO-UND VEREINSBANK AG, Munchen

COBADEFF COMMERZBANK AG, Frankfurt am Main

DRESDEFF COMMERZBANK (formerly Dresdner Bank AG), Frankfurt am Main

GENODEFF DZ BANK AG, Frankfurt am Main

LHBIDEFF LHB INTERNATIONALE HANDELSBANK, Frankfurt am Main

UBSWDEFF UBS AG, Frankfurt am Main

Switzerland UBS AG, Zurich
UBSWCHZH80

Italy BANCA INTESA spa, Milano
BCITITMM

- **Corporate loans**
 - *LOANS IN LOCAL CURRENCY (DINAR)*
 - *LOANS IN LOCAL CURRENCY (DINAR) WITH FOREIGN CURRENCY CLAUSE*
 - *FOREIGN CURRENCY LOANS*
 - *OVERDRAFT*
- **GUARANTEES AND LETTER OF GOOD INTENT TO ISSUE GUARANTEE**
- **DISCOUNT OF BILLS OF EXCHANGE**

Loans are granted to customers who open an account and perform payments via accounts in Srpska banka a.d. Beograd

PROCEDURE FOR LOAN APPROVAL FOR LEGAL ENTITIES

- ACCEPTANCE OF LOAN DOCUMENTATION (CREDIT ANALYSIS DEPARTMENT)
- DOCUMENTATION PROCESSING (CREDIT ANALYSIS DEPARTMENT)
- PREPARATION OF LOAN PROPOSAL (CREDIT ANALYSIS DEPARTMENT)
- OPINION OF RISK MANAGEMENT DIVISION (RISK MANAGEMENT DIVISION)
- DECISION OF THE CREDIT BOARD
- LOAN REALISATION AND TAKING OF COLLATERAL (LOAN ADMINISTRATION AND MONITORING DEPARTMENT – BACK OFFICE)

Loan terms

<i>Loan type</i>	<i>Loan amount</i>	<i>Maturity</i>	<i>Interest rate</i>	<i>Commission</i>	<i>Effective interest rate from</i>
<i>In local currency (dinar) with foreign currency clause</i>	depending on client's creditworthiness	1-12 months	1.10%	0.10%	15.33%
			NBS Ref. rate + 3,5 p.p.		
<i>In local currency (dinar)</i>	depending on client's creditworthiness	1-12 months	1.70%	0.10%	22.68%
			NBS Ref. rate + 12 p.p.		
<i>Foreign currency</i>	depending on client's creditworthiness	1-12 months	1.00%	-	14.28%

Current account overdraft

Upon receipt of overdraft request, assessing and loan approval is automatically performed.

- **AMOUNT:**

- 15% of monthly average of payments through Bank account in the last three months
- Maximum overdraft amount is 8.000.000 dinars

- **PRODUCT'S DESCRIPTION:**

- To overcome current illiquidity, for tax payments
- The interest is calculated only for withdrawal amount!
- Overdraft is approved for the period of 3 months, with possibility of prolongation

- **INTEREST:**

- 0,06112% daily interest rate
- Commission 0.30% from granted amount

- **COLLATERAL:**

- Blank single draft, authorization agreement

Bank issues different types of guarantees:

- **Payment guarantees**
- **Performance guarantees, as follows:**
 - Bid bond
 - Advance payment guarantee
 - Performance bond
 - Guarantees for defect repairments in warranty period

Along with the request for guarantee issuance, it is necessary to provide documentation showing justification of the request.

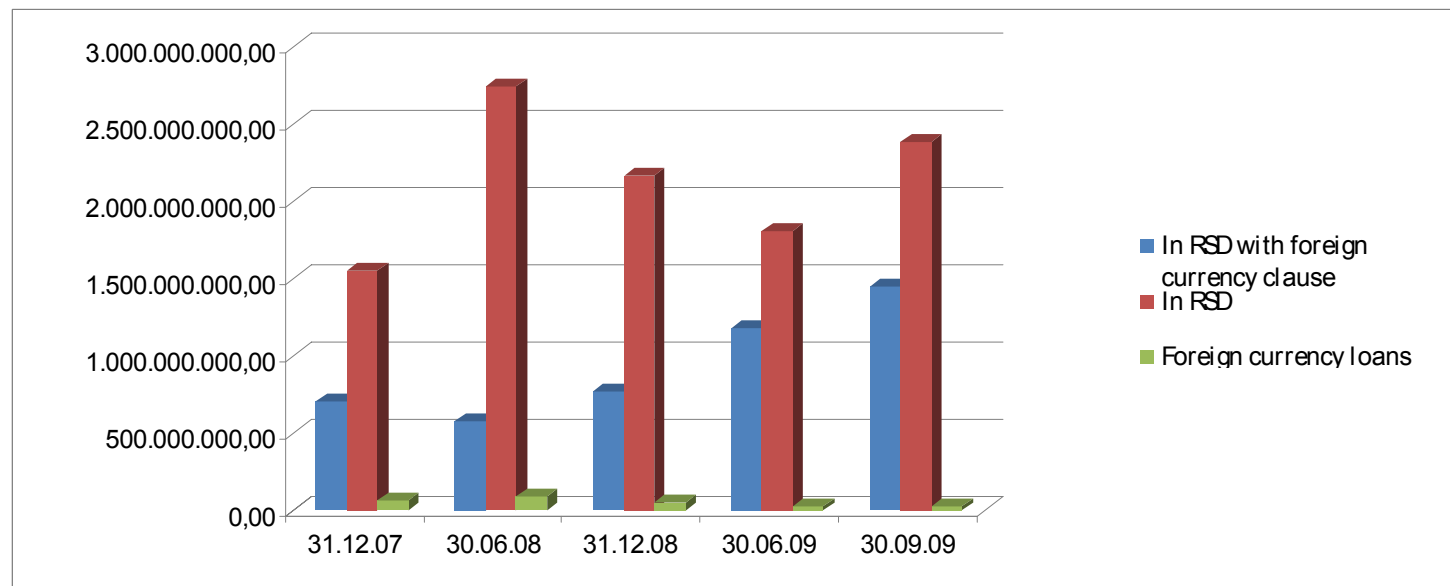
- Nostro foreign currency Letters of Guarantee
- Loro foreign currency Letters of Guarantee
- Consulting services to clients in the realization of foreign trade operations and domestic operations

Discount of Bills of Exchange

- The Bank operates bill discounts for its clients where the Bank has an agreement with the drawers to discount bills.
- Maturity up to 6 months, with possibility of prolongation
- Interest rate 1,8% monthly

Loans review

<i>Loan type</i>	<i>31.12.07</i>	<i>30.06.08</i>	<i>31.12.08</i>	<i>30.06.09</i>	<i>30.09.09</i>	<i>Growth 30.09.09 / 31.12.07. (in %)</i>
<i>In RSD with foreign currency clause</i>	708.145.294,00	575.862.000,00	769.043.581,00	1.184.930.230,00	1.445.496.686,00	204%
<i>In RSD</i>	1.554.136.917,00	2.742.731.676,00	2.166.713.063,00	1.809.596.111,00	2.390.837.688,00	154%
<i>Foreign currency loans</i>	63.388.960,00	87.231.642,00	51.942.335,00	26.140.256,00	24.787.534,00	39%
	2.325.671.171,00	3.405.825.318,00	2.987.698.979,00	3.020.666.597,00	3.861.121.908,00	166%

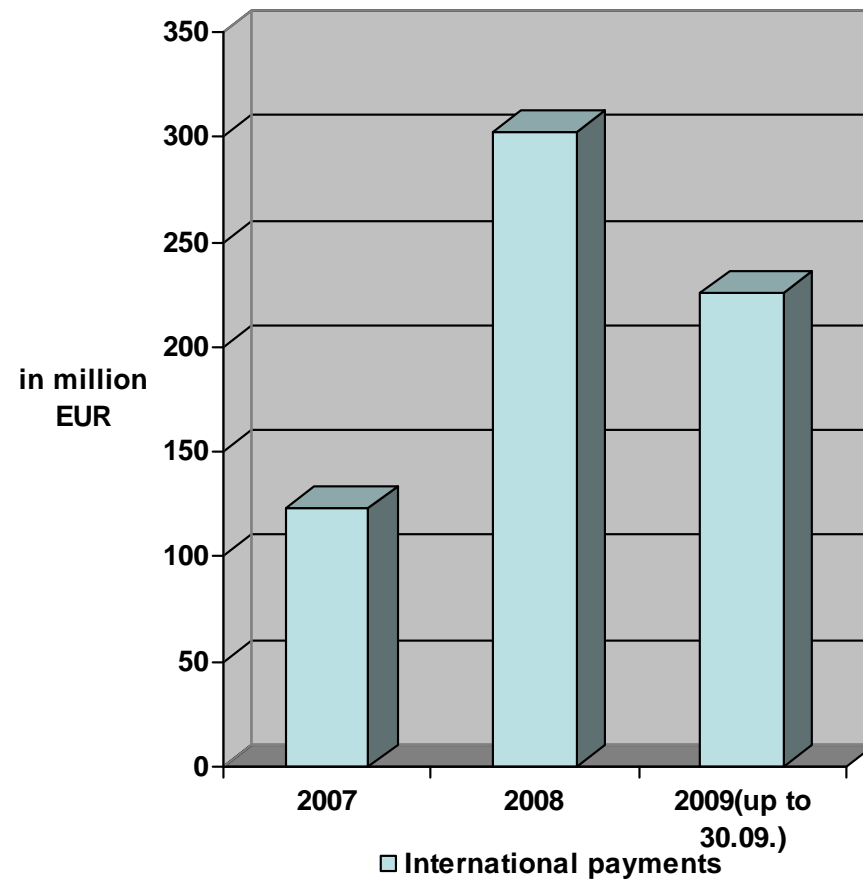
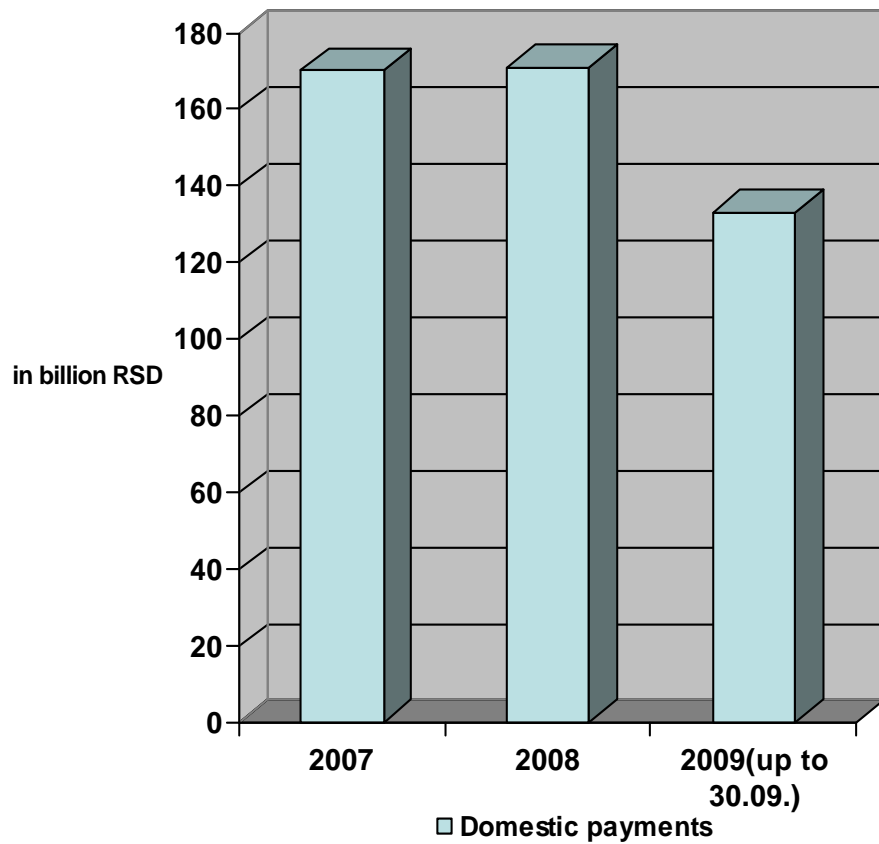


Payments turnover



	2007	2008	2009(up to 30.09.)
			in RSD
<i>Domestic payments</i>			
Total	170.330.309.801,87	170.882.051.979,34	133.245.559.156.08
			in EUR
<i>International payments</i>			
Incoming payments	58.072.596,72	163.574.759,26	124.120.359,08
Outgoing payments	65.659.453,22	138.957.222,43	101.946.019,85
Total	123.732.049,94	302.531.981,69	226.066.378,93

Payments review

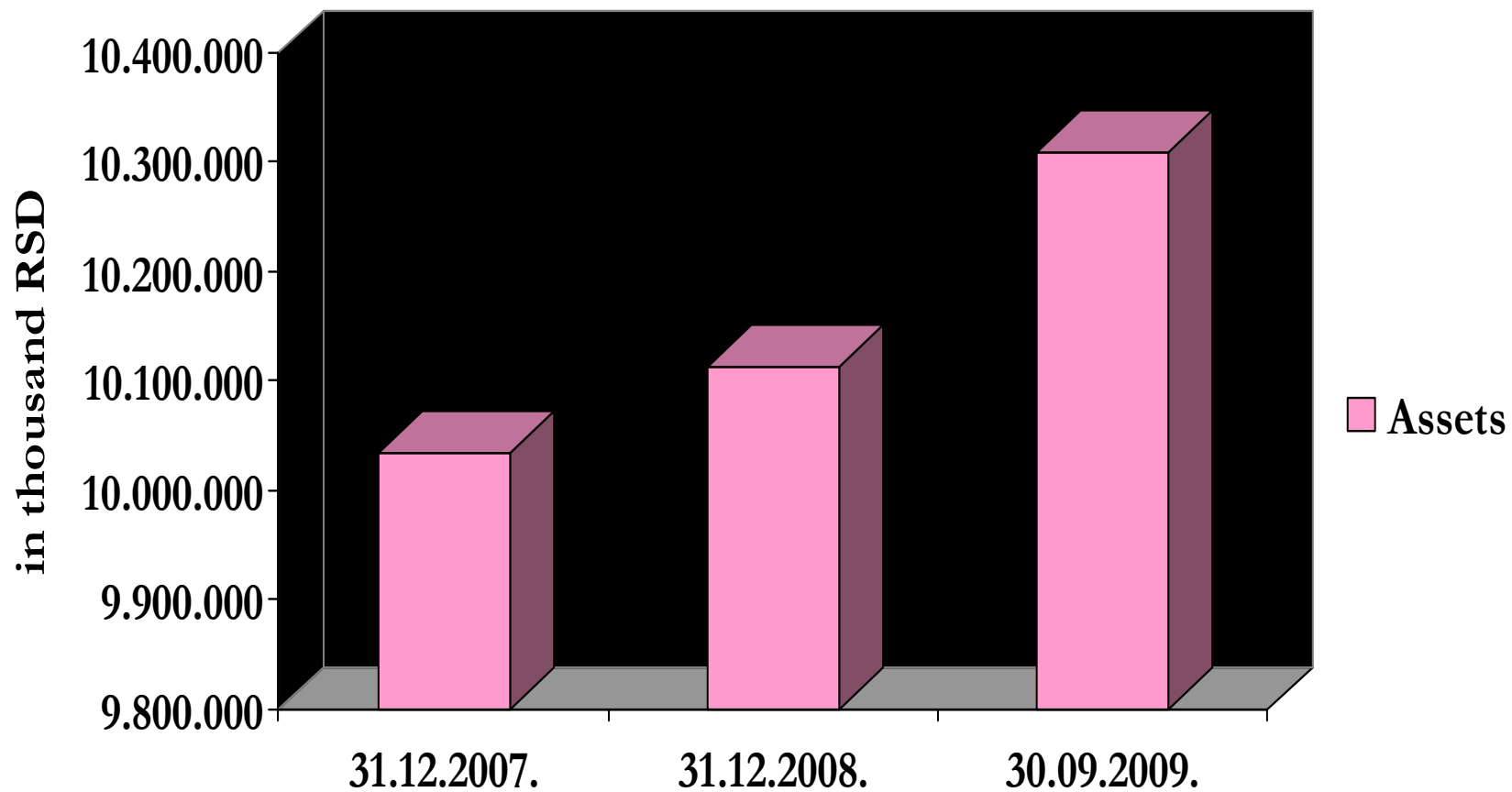


INVESTMENTS IN SHARES OF OTHER LEGAL ENTITIES IN BANK'S PORTFOLIO ON 30.09.2009.

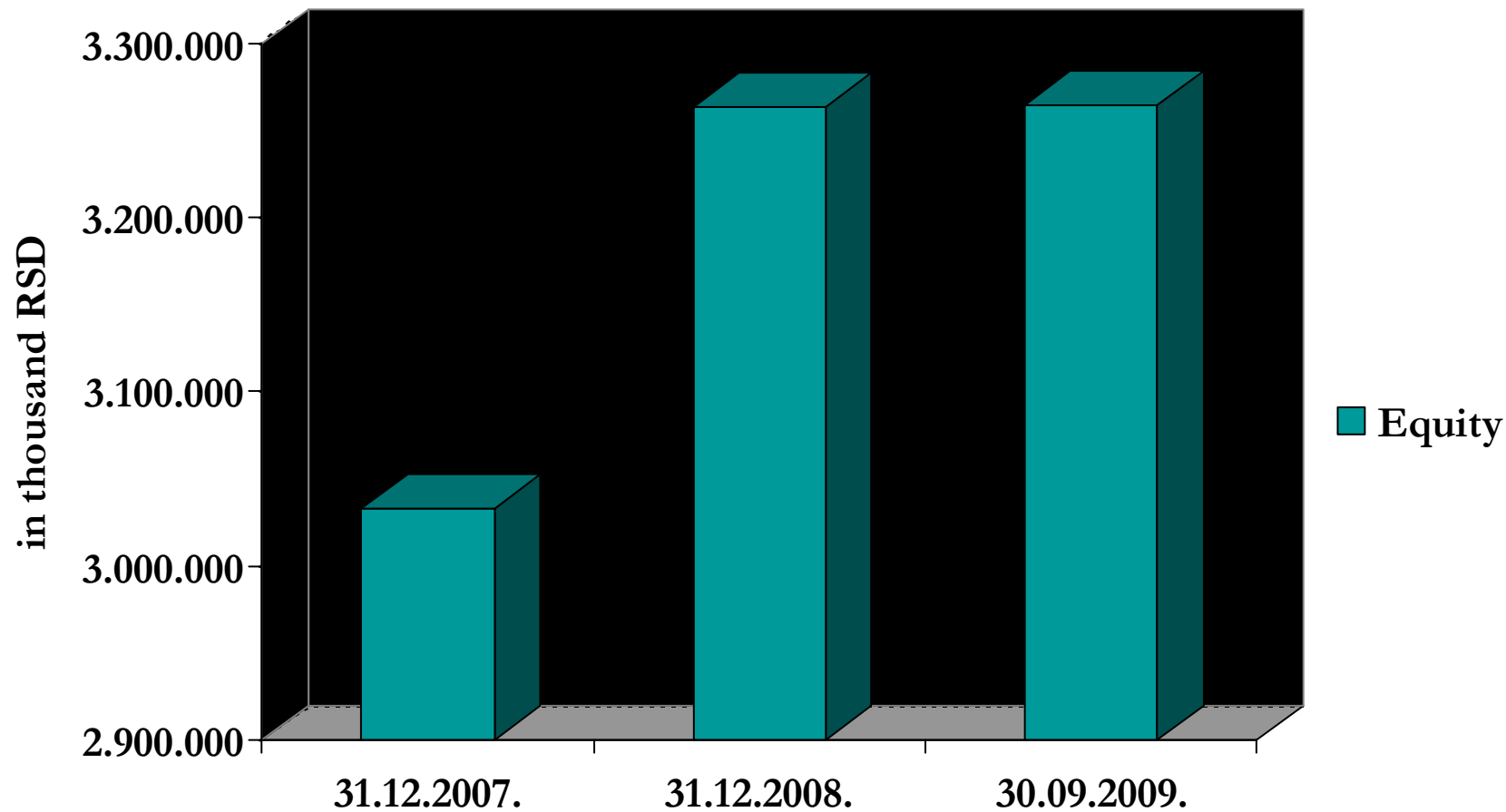


No.	Legal entity	Number of shares	Market value of portfolio
Financial sector			
1	Privredna banka ad, Beograd	3656	3.447.608,00
2	Jubmes banka ad, Beograd	340	7.236.220,00
3	Komercijalna banka ad	190	7.318.230,00
4	AIK banka ad, Niš	1781	5.492.604,00
5	Metals banka ad, Novi Sad	147	1.285.074,00
6	Dunav osiguranje ad, Beograd	500	1.900.000,00
Financial sector:			26.679.736,00
Non-financial sector			
7	Fidelinka ad, Subotica	1000	440.000,00
8	Sojaprotein ad, Bečej	1400	1.698.200,00
9	Metalac ad, Gornji Milanovac	1000	2.952.000,00
10	Tigar ad, Pirot	2000	1.900.000,00
11	Telefonija ad, Beograd	130	311.610,00
12	Energoprojektholding ad, Beograd	1081	1.119.916,00
Non-financial sector:			8.421.726,00
TOTAL :			35.101.462,00

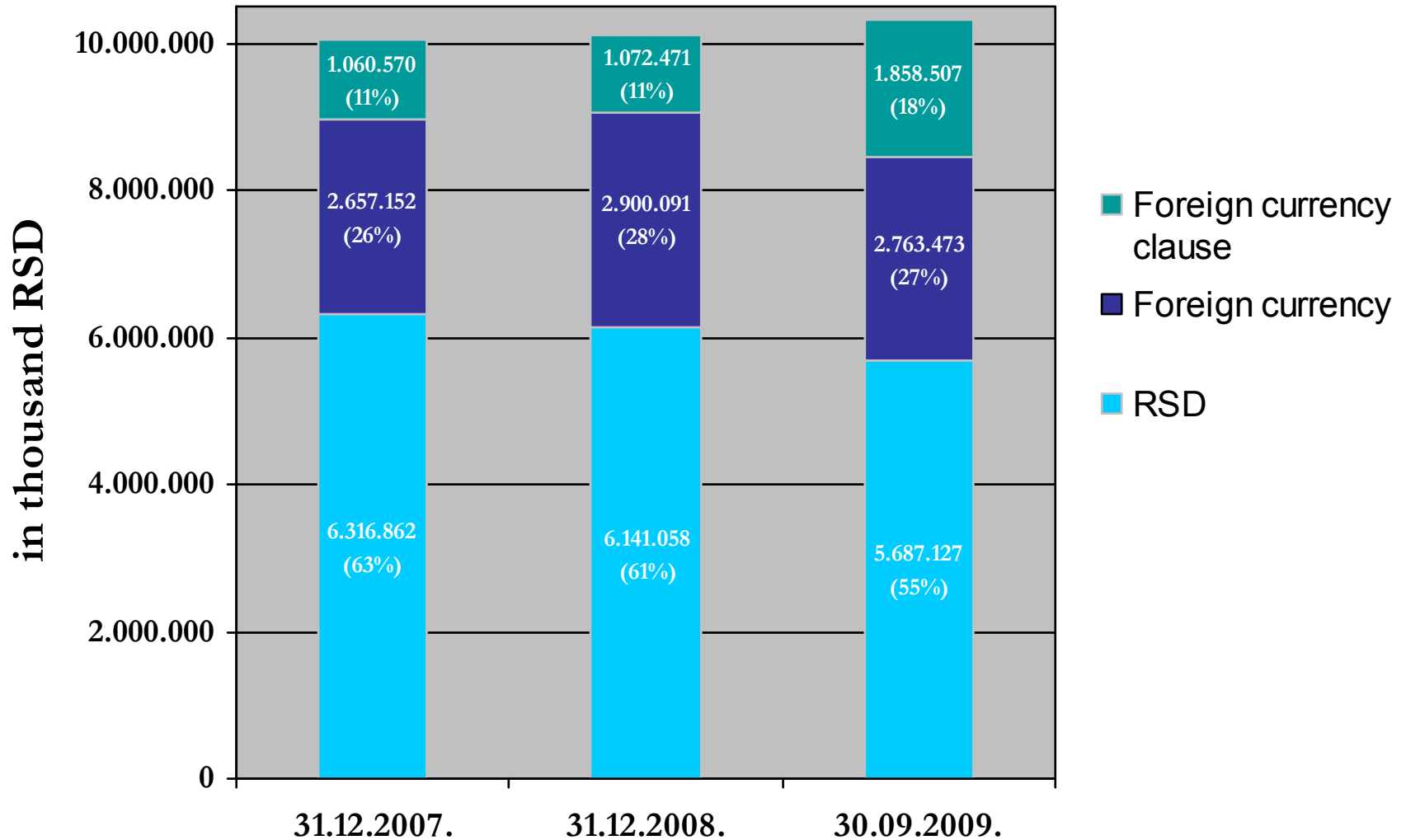
Bank's Assets



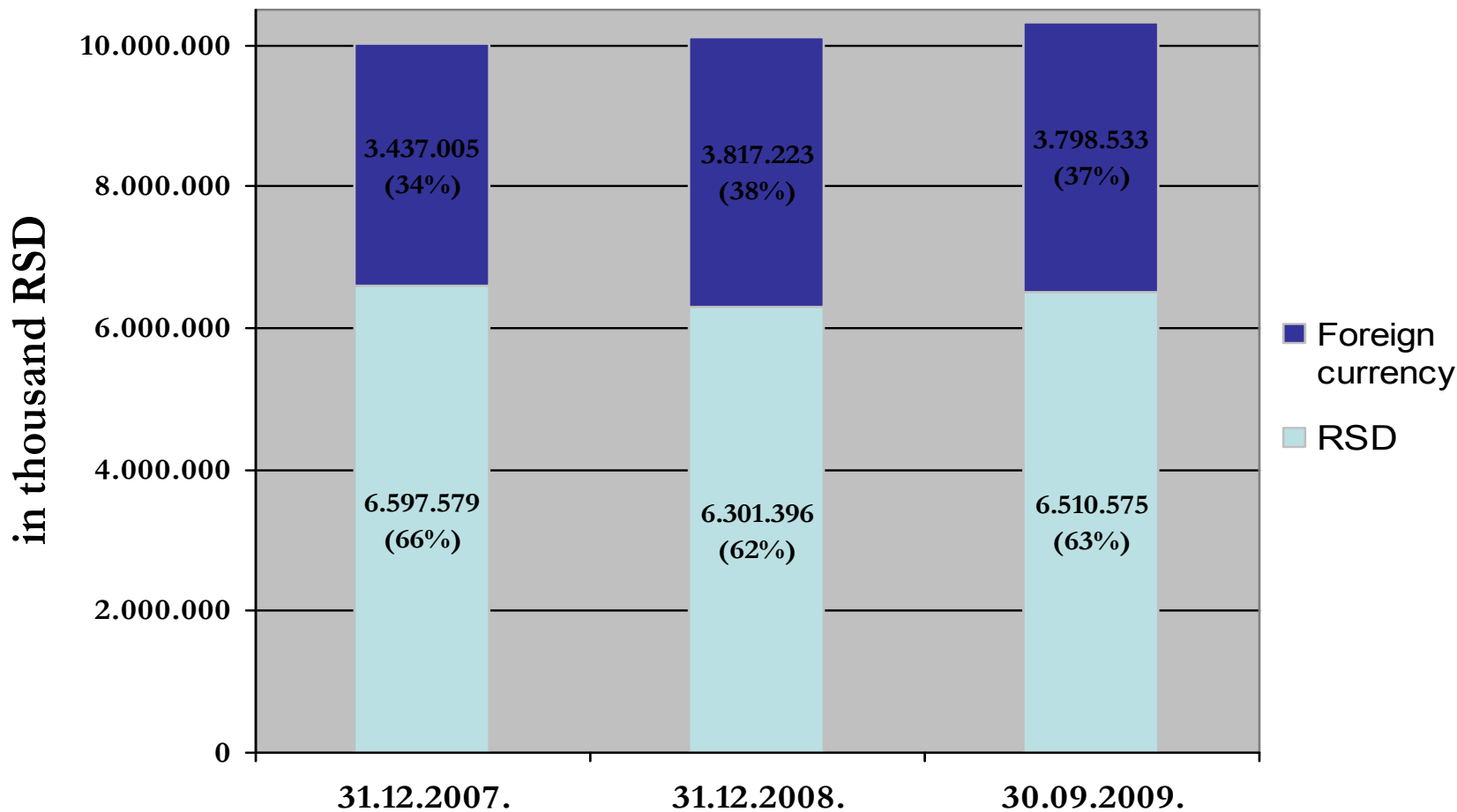
Bank's Equity



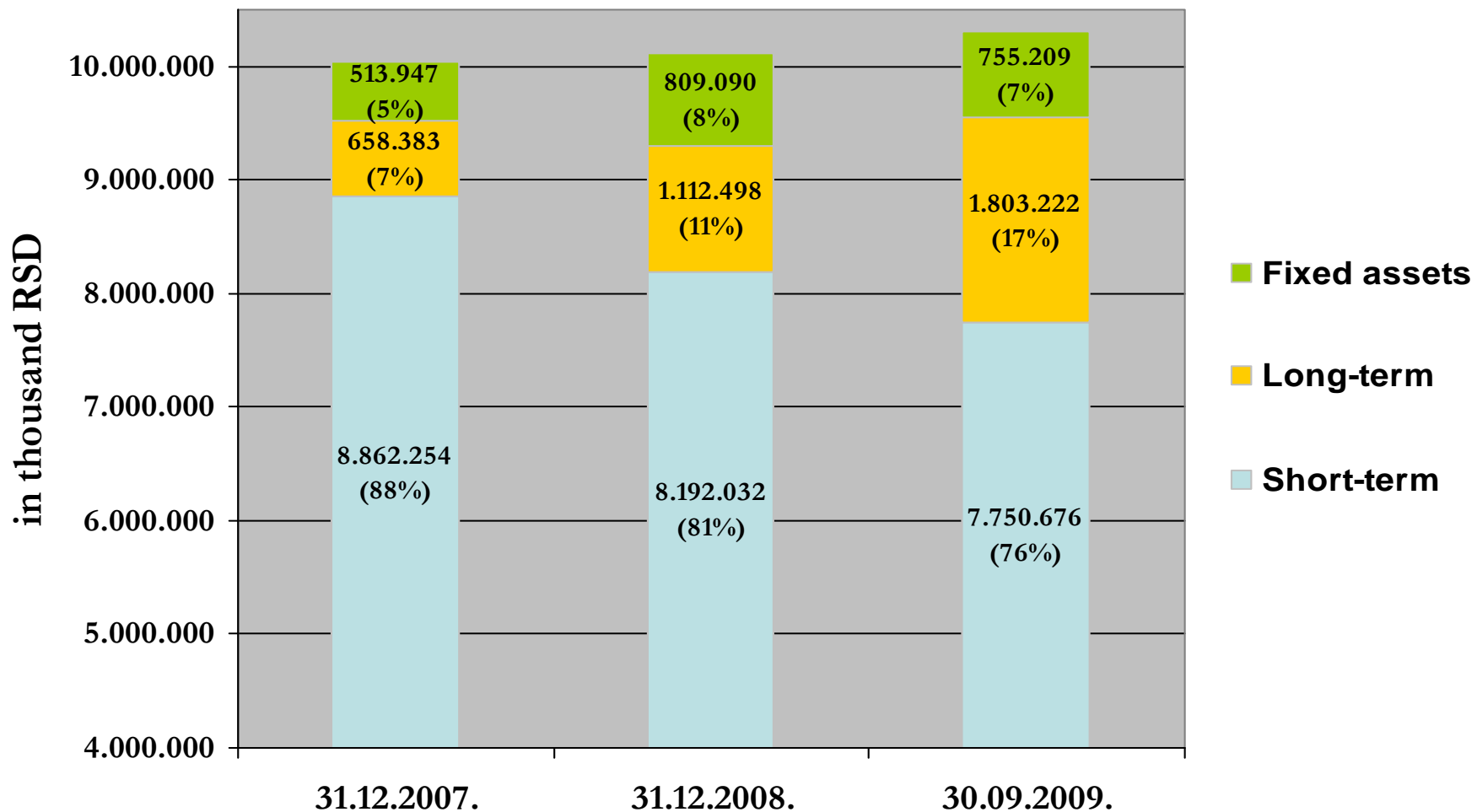
Assets currency structure



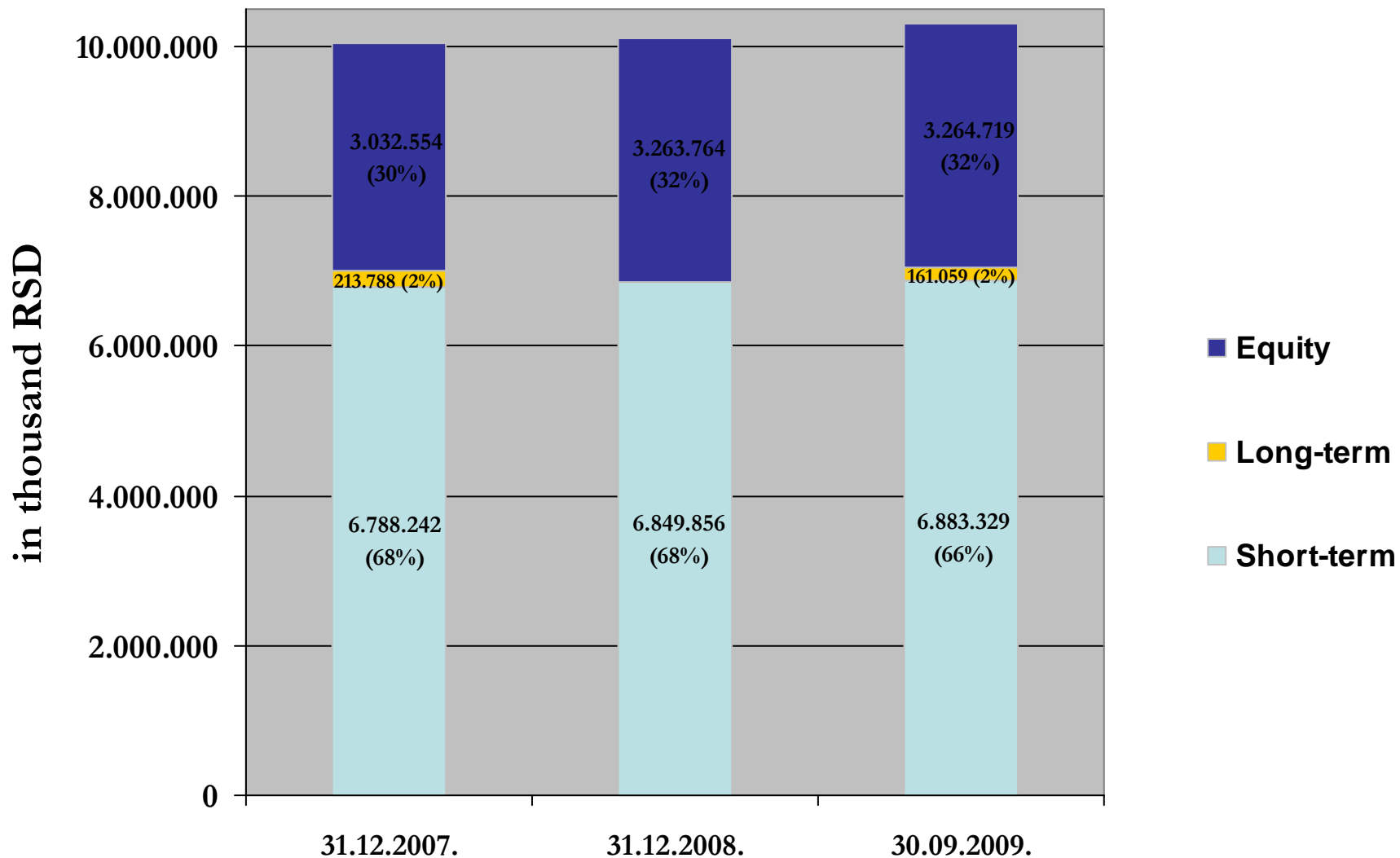
Liabilities and equity currency structure



Assets term structure

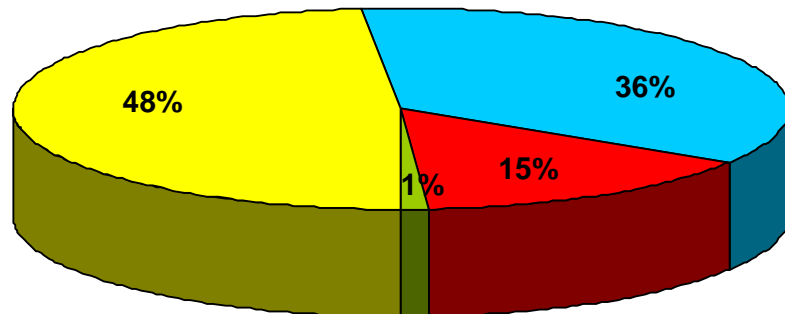


Liabilities and equity term structure

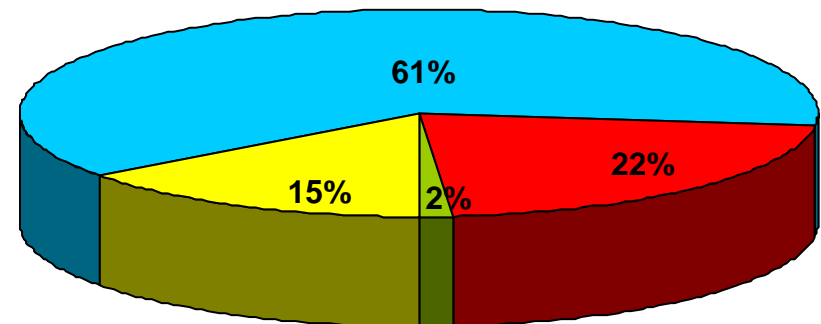


Structure of placements

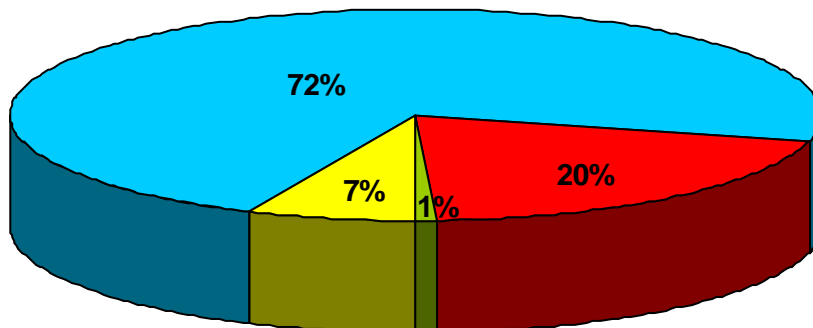
31.12.2007.



31.12.2008.



30.09.2009.



■ Banks

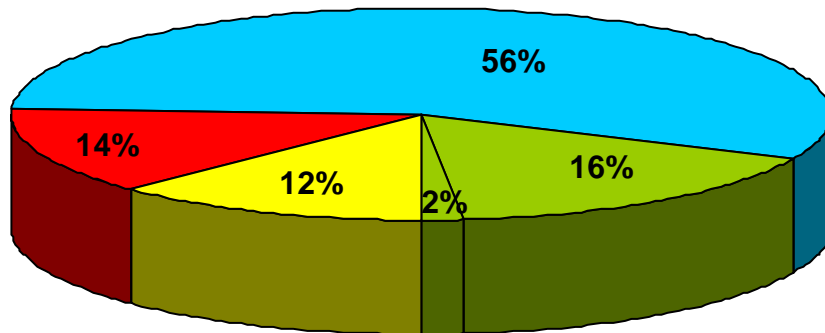
■ Enterprises

■ Retail customers

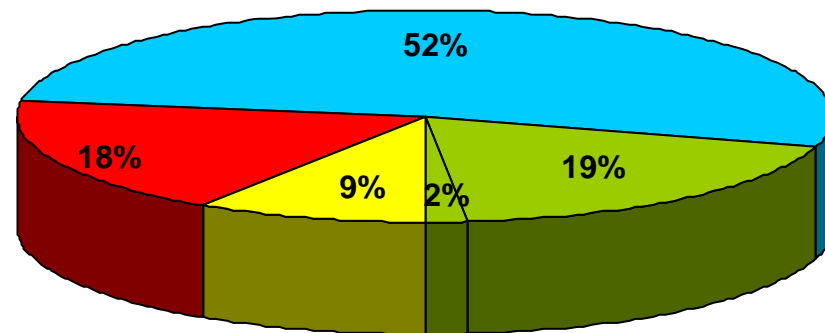
■ Public sector, entrepreneurs, foreign legal entities and other

Structure of deposits

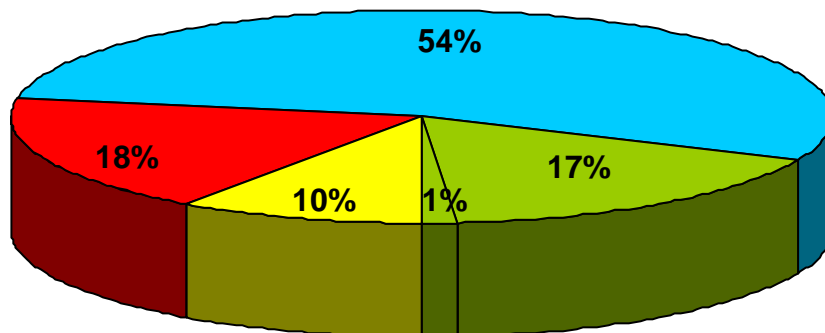
31.12.2007.



31.12.2008.



30.09.2009.

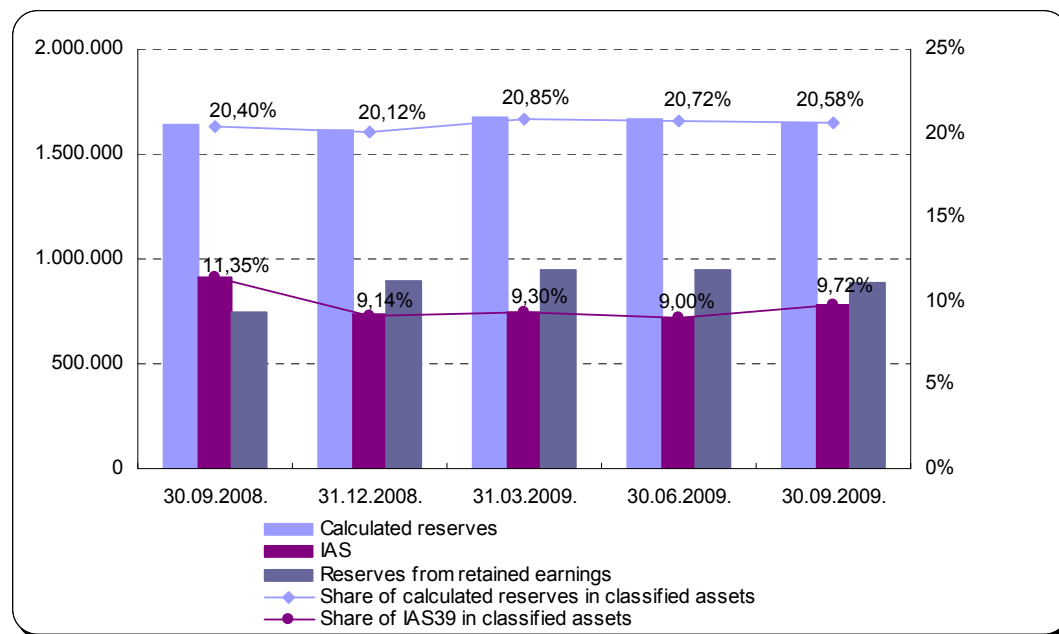


- Retail customers
- Banks
- Enterprises
- Public sector
- Foreign legal and natural persons and other

Classified assets, calculated reserves and IAS 39

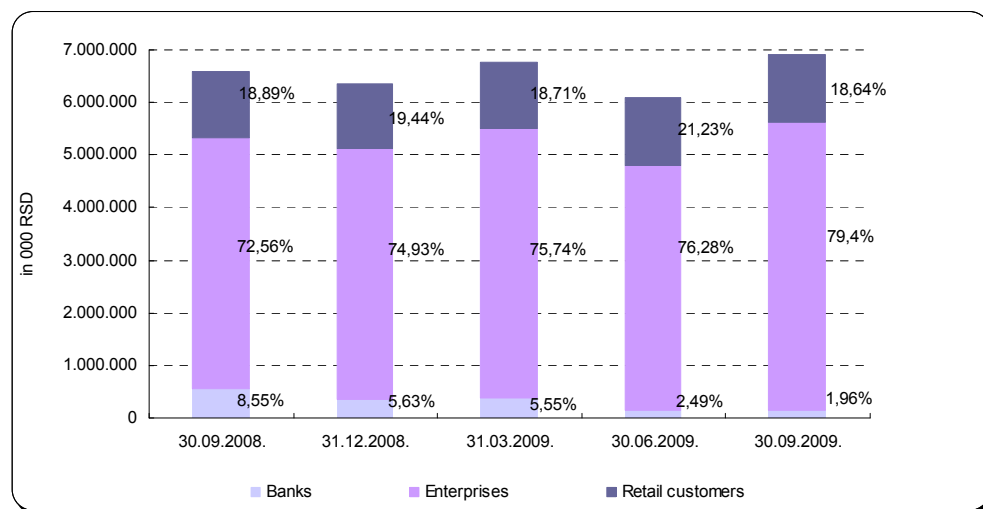
	Classified assets	Calculated reserves	Allowance for impairment	Reserves from retained earnings
30.09.2008	8.028.610	1.637.583	911.575	744.080
31.12.2008	7.837.248	1.615.036	733.715	894.929
31.03.2009	8.340.804	1.673.984	746.738	944.198
30.06.2009	7.375.012	1.663.746	722.527	945.765
30.09.2009	8.260.414	1.652.183	780.661	881.834

- Assessment and classification of each individual placement during granting procedure
- Quarterly calculations of special reserves and impact on equity

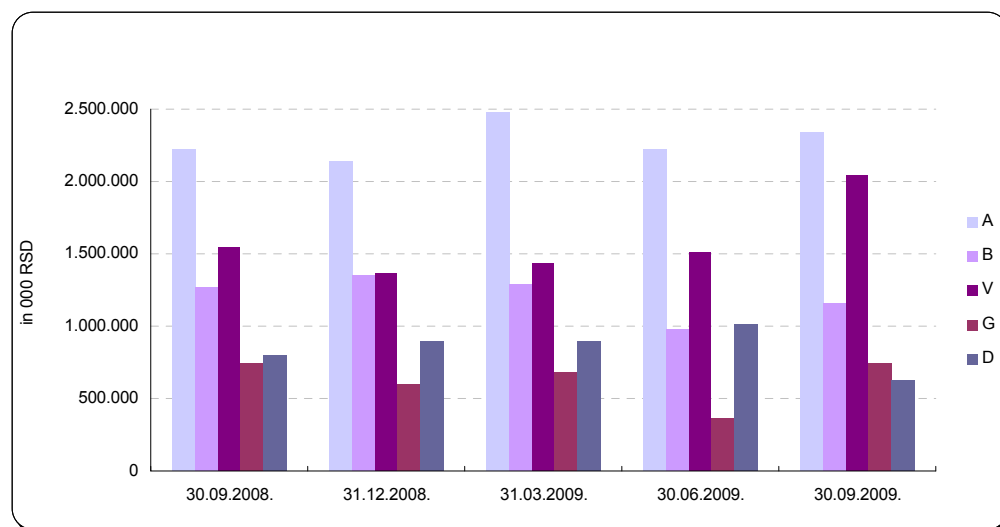


Bank's portfolio structure

- Portfolio structure by customer category



- Portfolio quality by classification categories A, B, V, G and D



Performance indicators



Performance indicators	Prescribed values in relation to capital	30.09.2008.	31.12.2008.	31.03.2009.	30.06.2009.	30.09.2009.
Capital	EUR 10 mil.	35.528.172	31.207.898	28.548.605	29.094.426	29.925.490
Capital adequacy ratio	min. 12%	40,71%	42,67%	40,81%	42,83%	38,29%
Sum of great Bank's exposures	max. 400%	48,60	35,04	35,91	39,27	42,27
Great Bank's exposure to a single party or to the group of related parties		45,62	32,13	32,91	36,44	39,79
Exposure to entities related to the Bank	max. 20%	2,98	2,91	3,00	2,83	2,48
Bank's investments	max. 60%	28,24	32,61	33,08	32,61	31,82
Bank's investments in financial sector		0,53	0,49	0,50	0,48	0,47
Bank's investments in parties which do not operate in financial sector	max. 10%	0,20	5,25	5,37	5,35	5,22
Bank's investments in property and equipment		27,51	26,87	27,21	26,78	26,13
Monthly liquidity ratio in the last month of the reporting period	min. 1,00	2,86	2,63	2,77	2,96	2,59
Foreign currency risk indicator	max. 20% /max. 10%	5,26	12,98	4,25	11,91	6,59

Retail Banking

Product range for retail customers



1. Dinar current accounts:

- with cheques for receiving salaries and pensions
- without cheques; for domestic and foreign private individuals
- accounts for securities trading
- farmer accounts

2. Foreign currency current accounts

- for domestic and foreign private individuals

3. Dinar and foreign currency savings with the possibility of rent savings

Product range for retail customers



3) Loans:

- Cash loans (in dinars and in dinars with foreign currency clause)
- Consumer loans (in dinars and in dinars with foreign currency clause)
- Loans on the basis of 100% deposit
- Credit cards
- Current account overdrafts

4) Payment Cards

- *DinaCard* debit card
- *DinaCard* credit card
- *Visa Electron, Classic* and *Gold* debit cards
- *Visa Classic* credit card
- *Visa Business* debit card

Product range for retail customers



- 5) Cash payments, cash payouts and cashless payments – domestic and international payments**
- 6) Currency exchange**
- 7) *Western Union* money transfer**
- 8) Rental of safe deposit boxes**
- 9) *E-banking, SMS-banking, Permanent orders***

Bank's network



Bank conducts transactions with clients
in Head Office located in Belgrade, Savska 25,
in branch offices in Belgrade,
and branch offices in six towns in Serbia

Network of agent JP PTT "SRBIJA"

At 1384 Post Office counters funds can be withdrawn with a single cheque up to the amount available on current account for salary receiving held with Srpska banka a.d., without commission.

At Post Office counters equipped with POS terminals, funds can be withdrawn up to the available amount using Srpska banka a.d. payment card, without commission.

On-line connection exists in both cases.



Bank's ATM network

Bank has 18 ATMs in the network:

Belgrade:

- Savska
- Skadarska
- Knez Mihajlova
- Resavska
- Požeška

Novi Beograd:

- Blok 38
- Blok 61

Zemun:

- Aleksinačkih rudara
- KBC Zemun

Kraljevo:

- Trg srpskih ratnika (two ATMs)
- ZC Studenica

Mataruška Banja

Valjevo

Šabac

Čačak

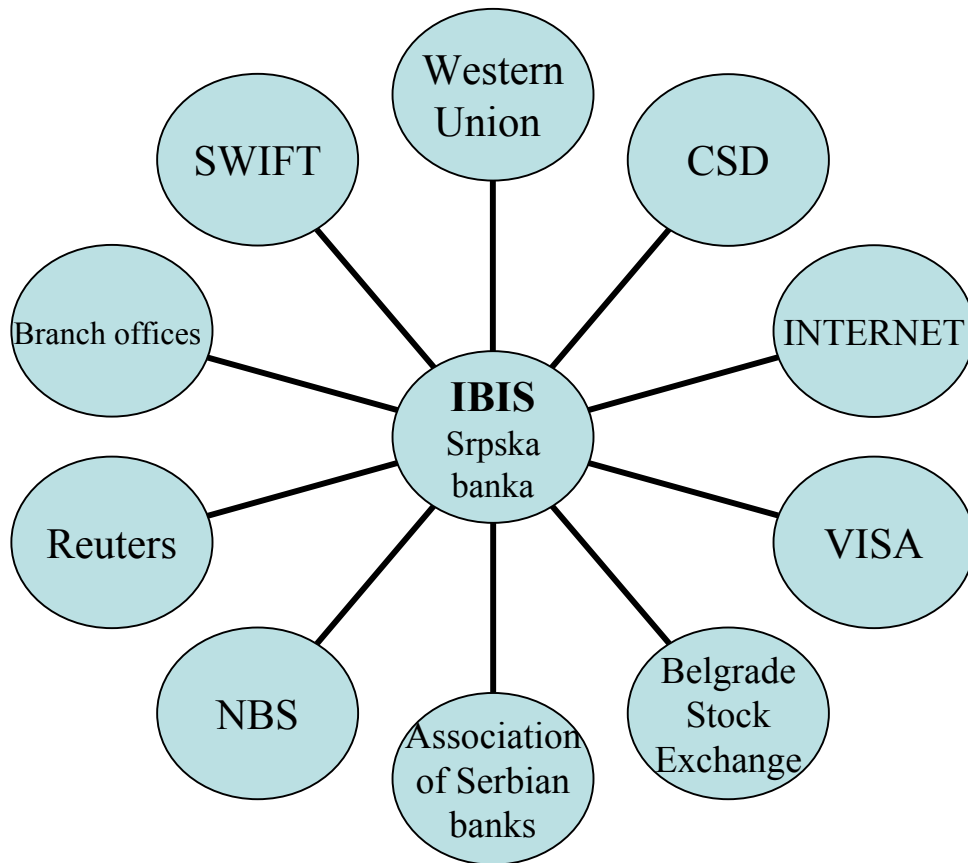
Kruševac

Kragujevac



Telecommunication infrastructure

Connections of the system with the environment



Satelite link with Visa.

Frame-relay connections are established with:

- NBS
- Belgrade Stock Exchange
- Association of Serbian banks
- Central Securities Depository and Clearing House
- Branch offices

Wireless link with Infosky of 5Mb/s for internet, credit bureau and certain services as SMS banking.

All branch offices are connected with head office through Frame-relay connections, except branch office in Skadarska, Belgrade connected through 10Mb/s optics.

All branch offices have back-up links over ISDN ports.