

The bank IS THE PEOPLE!

Erste Bank a. d. Novi Sad
Corporate Social Responsibility Report 2008





/ 4 /

/ 8 /

/ 10 /

/ 11 /

/ 12 /

/ 14 /

/ 20 /

/ 22 /

/ 29 /

/ 30 /

/ 33 /

CONTENTS

Foreword:
Slavko Carić/Andrea Brbaklić

**Erste Bank opened its doors
for business 190 years ago.
And has not closed them since.**

Erste Foundation

**Erste Bank a.d. Novi Sad:
"The leading bank of
European Serbia".**

**CSR in Erste Bank a. d. Novi Sad:
The bank is the people**

Our people

Market and clients

**Fellow citizens
in the communities in which we
operate**

**Social responsibility
initiatives and networks**

The awards received so far

**Table of major projects supported
in 2008**

The bank --- IS THE PEOPLE!

Erste Bank a. d. Novi Sad
Corporate Social Responsibility Report 2008



Slavko CARIĆ

Chairman of the Executive Board of Erste Bank a. d. Novi Sad

Dear colleagues and friends,

You have before you the first annual report on corporate social responsibility of Erste Bank a. d. Novi Sad, which clearly demonstrates that in 2008, apart from good financial performance, we also made progress in the field of corporate social responsibility.

Building on the 190-year long tradition of Erste Group as well as 140-year long tradition of Novosadska Banka, Erste Bank a. d. Novi Sad makes continuous efforts to set new standards in Serbia as well as at the Group-wide level.

Our vision – to become the leading bank of European Serbia – can only be achieved if we integrate corporate social responsibility into every segment of our business. We believe it is important for us to be the leading bank, not only in terms of total assets but also service quality, active response to the challenges Serbia encounters on its way to Europe and the good things that we shall do in the communities in which we live and operate.

In order to achieve this, we build long-term partner relations as a "top pick bank" for our clients and employees. We create sustainable value for our clients, employees and shareholders by providing universal financial services. Together, we actively contribute to the development of local community and the society as a whole, which makes our business sustainable in the long term. As a signatory to and the chairing bank of the UN Global Compact in Serbia, not only do we adhere to the principle of corporate social responsibility on which it is based but we also do our utmost to motivate others to join the joint efforts towards more responsible business.

We are naturally aware of the fact that significant and great results that change the world require clear guidelines, a vision, as well as excellent cooperation among different teams and units within Erste Bank, including communications, human resources, marketing and our colleagues in the branches throughout the country.

Having this in mind, we wanted to unite our corporate social responsibility practices into a strategy that will provide us with a framework, allow flexibility and, what is very important, monitoring the effects and results of its application. Therefore, during 2008 we started a process of preparing and adopting the Corporate Social Responsibility Strategy (CSR Strategy) based on our values and the idea that the fulfilment of our economic goals is only possible in thriving and stable communities.

In 2009 we plan to develop and adopt a code of ethics according to European standards as well as introduce a series of other, systemic innovations that will help us optimise the application of the CSR Strategy in practice. This is exactly why our report, in addition to a description of what has already been done, also contains an overview of our plans for next year.

There is obviously still a lot to do or start. We have no doubt that we can do it if we join forces.

Yours sincerely, **Slavko Carić, Chairman of the Executive Board**

Dear friends,

We wish to thank you for finding time to learn about everything that our bank does in the field of its relations with the community in which it operates and everything that goes beyond the usual boundaries of banking business, numbers, ratings and financial performance.

From the very beginning, Erste Bank has perceived corporate social responsibility as a comprehensive strategic framework of corporate governance and we have actively participated in solving important social issues. That is why our Executive Board, management and employees are equally committed to corporate social responsibility of the Bank, certain in their belief that good business results can only be achieved in thriving and sustainable communities.

In accordance with this belief, we launched a series of new initiatives in 2008, certain that it is especially significant to show commitment to these principles in the hard times of financial crisis. We are especially proud of the following:

- Opening of an EU Office, which provides necessary advisory assistance to small and medium-sized enterprises but also to other interested economic entities as to how to access European funds and improve their business in the best and easiest manner.
- Introduction of a volunteer programme for employees that enables the bank employees to devote part of their working hours to the preservation of environment. The Erste "Day for All of Us" marked the start of our long-term and recognisable volunteer programme.
- Continuance of the Centrifuge grant programme for encouraging youth cultural events at the local level and the Club 27 scholarship programme for the most talented and most creative, which we conduct in partnership with the VISA company.
- In addition to introducing IT equipment recycling, we started the development of a paper recycling programme, as well as more comprehensive analyses that will contribute to environmentally cleaner operation of the Bank.

Continuous work of our team, its openness to new initiatives, cooperation with partners and openness to learning have brought visible results as well – in the short time of its operation in Serbia, the Bank received several awards. What sets us apart are the efforts we invest in promoting the concept of corporate social responsibility in Serbia by our own example as well as by intensive cooperation with partners from public and non-profit sectors. In accordance with that, our Bank became a member of several business associations (FIC, AmCham) and a member of the bodies advocating CSR in Serbia, such as the UN Global Compact for Serbia and Business Leaders Forum Serbia (BLF).

There is obviously still a lot of work before us in order to achieve everything we want. Our plans for 2009 include a continuation of work on organisational culture, improvement of the EU Office operation, development of services, especially for marginalised population groups, as well as a series of activities related to our relation with the community: continuing the Centrifuge grant programme and the Club 27 programme, further development of volunteer programme for employees, the recycling and energy consumption reduction programmes and similar.

The changes that we implemented as well as such ambitious plans would surely be impossible without the cooperation and contribution of our employees, as well as our partners from all sectors, so I would like to express to you our sincere gratitude on behalf of Erste Bank.

Yours sincerely,

Andrea Brbaklić, Head of Corporate Communications



Andrea BRBAKLIĆ

Head of Corporate Communications

Erste Bank opened its doors for business 190 years ago. And has not closed them since.

Erste Group was established 190 years ago as the first savings bank in Austria (Erste Oesterreichische Spar-Casse). In 1997, Erste Group went public with a strategy to expand its retail business into Central and Eastern Europe.

Erste Group's customer base has grown through numerous acquisitions and organic growth from 600,000 to 17.2 million. Having always focused on retail and SME business, today Erste Group, with more than 53,000 employees in almost 3,000 branches in 8 countries (Austria, Czech Republic, Slovakia, Romania, Hungary, Croatia, Serbia, Ukraine) is one of the largest financial services providers in Central and Eastern Europe in terms of clients and total assets

The business focus of Erste Group is retail banking. As an almost 200 year-old savings bank we have always been taking deposits and granting loans. This means that our deposits to a major extent finance the loans we granted, making us less dependent on external financing sources.

Our geographical focus is Central and Eastern Europe. Ten years ago we defined our extended home market. Today, 95% of our 17.2 million clients live in EU member states. This gives us the stability of the EU framework as well as the long term growth potential of these countries, as they wish to improve their living standards to the EU 15-levels

Erste Group structure reflects the division of responsibilities for the purpose of increasing the overall efficiency of the Group banks. That means that each country has a responsibility for retail and SME business, while the Holding has a responsibility for Group corporate & investment banking (GCIB), as well as Group Capital Markets.

FINANCIAL RESULTS (as of 31 December 2008)

- Total assets: **EUR 201.4 billion**
- Operating result: **EUR 2,997 million**
- Net profit: **EUR 859.6 million**
- Return on equity: **9.6%**

Detailed financial statement of Erste Group is available at www.erstegroup.com

What sets Group apart? Our story started in Vienna in 1819. A group of prominent members of Viennese society came up with an idea to help people – regardless of their social status – turn the results of their daily work into savings and provide them with a sense of independence. The idea was simple but inspiring:

We were the first to open the doors of a financial institution to ordinary people.

We were the first to provide people with an opportunity to save.

We were the first to improve the life of ordinary people.

We were the first to improve the operation of the community.

We were the first to provide access to finance in CEE without any discrimination.

EXTENSIVE PRESENCE IN CENTRAL AND EASTERN EUROPE



AUSTRIA
 Employees: 16,278
 Branches: 274
 Customers: 1.1 m



Branches: 786
 Customers: 1.9 m



CZECH REP.
 Employees: 10,865
 Branches: 658
 Customers: 5.3 m



SLOVAKIA
 Employees: 4,953
 Branches: 275
 Customers: 2.6 m



UKRAINE
 Employees: 2,120
 Branches: 135
 Customers: 0.1 m



HUNGARY
 Employees: 3,225
 Branches: 203
 Customers: 0.8 m



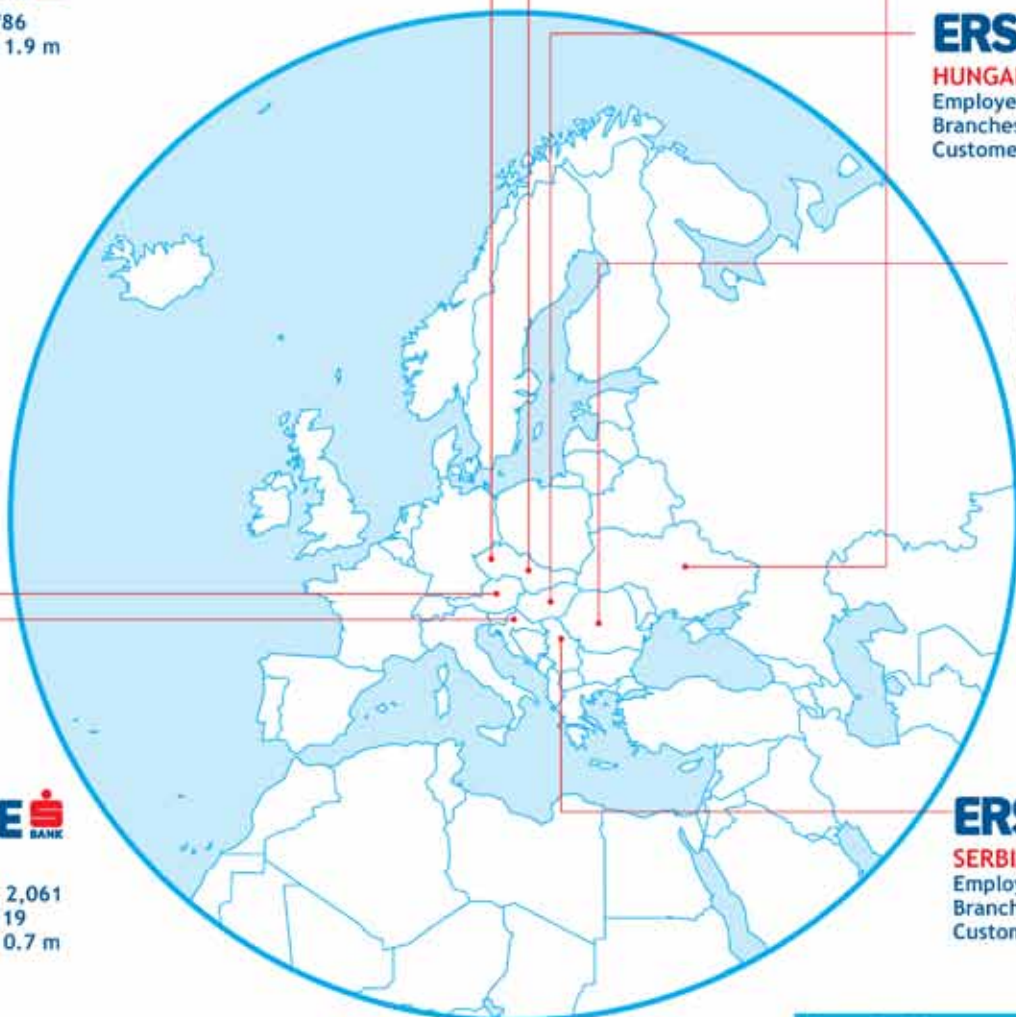
ROMANIA
 Employees: 9,985
 Branches: 641
 Customers: 4.5 m



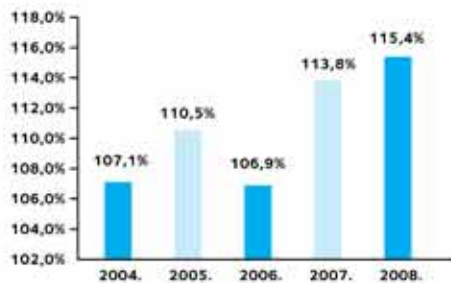
CROATIA
 Employees: 2,061
 Branches: 119
 Customers: 0.7 m



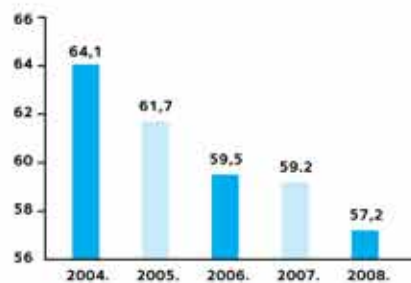
SERBIA
 Employees: 1,009
 Branches: 68
 Customers: 0.2 m



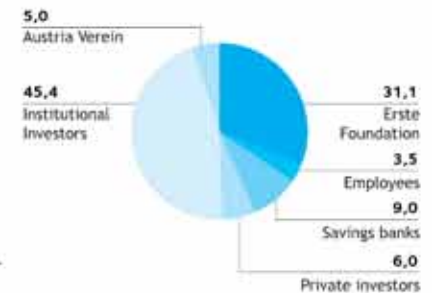
Loan/deposit ratio (in %)



Cost/income ratio (in %)



Shareholder structure as at 31 December 2008 by investor (in %)





Erste Foundation: just one goal - reinvesting in the **COMMUNITIES** in which we operate

Erste Foundation

Erste Foundation owns 31 percent of Erste Group shares and is its principal shareholder. The Foundation has only one goal: to reinvest its profit in the regions and communities in which Erste Group operates. This is completely unique: a principal shareholder that reinvests in the community in which it operates.

Our unique structure is a real incentive for business and operation in our community. It helps us transform our banking business into future investment in the society. We believe that **by improving the life of individuals, we improve the civil society as a whole!**

It is in our own interest to live and work in stable and prosperous societies. The Foundation idea is not about charity work or sponsorship. The Foundation does not give away money for the purpose of improving its own image or reputation, but creates and invests in programmes that have the power of changing the societies in Central and Eastern Europe for the better.

The Erste Foundation develops projects independently, as well as in cooperation with its partners, and they are focused on three programmes: "Social Issues", "Culture" and "Europe". These programmes are dedicated to the issues of social cohesion, cultural development and history, as well as to challenges in the European unification process, especially when it comes to the challenges faced by the countries of Central and Southeast Europe (CSEE).

More details about our projects on the following websites:
www.erstestiftung.org or www.erstefoundation.org

HOW DOES

THE ERSTE FOUNDATION OPERATE?

• AUTONOMY

we attach great importance to independent nature of our entity and our work

• SUSTAINABILITY

we give our contribution to the sustainable development and future prospects of Central and Southeast Europe as a cultural and economic region

• PARTICIPATION

we create a context that enables the people of different nationality and different cultural and professional background to develop common prospects

• OPENNESS TO DIALOGUE

we are open to ideas and proposals and we integrate them in our work in accordance with our quality criteria

ON ERSTE SOCIAL INTEGRATION AWARD

ERSTE Social Integration Award is granted to innovative projects that foster stable, safe and fair societies with equal opportunities for all. The Award promotes and recognises organisations in public and non-profit sectors that include abilities, capacities and initiatives of people toward socially-oriented practice and progressive change in the society.

Since early 2008 when it was established, the Erste Foundation Award has expanded both in its scope and in its amount: the award amount increased almost five times, from EUR 60,000 in 2008 to almost EUR 300,000, which is how much will be awarded in 2009, while the list of participant countries expanded. "Our goal is clear: to support as many innovative and useful projects as possible", says Boris Marte, a member of the Erste Foundation Executive Board. "Such a goal clearly requires constant expansion of our activities – and this important step is just one of the many that we intend to undertake", he adds.



ERSTE Stiftung

Erste Bank a. d. Novi Sad: The leading bank OF EUROPEAN SERBIA.



Five members of Erste Group operate in Serbia:

Erste Bank a. d. Novi Sad, S-leasing, Immorent, Synergy Capital and Erste Invest. These companies offer a wide range of banking, leasing and broker services to retail and corporate clients.

Erste Bank in Serbia, with its 1,009 employees (as of 31/12/2008), serves 200,000 clients via its business network of 68 retail branches and 10 corporate branches in over 40 towns throughout Serbia.

Our vision is to become the leading bank of European Serbia. Our mission is to be the "top pick bank" for our clients and employees, so to that end we base our work on the following values:

- **SUPPORT** – we listen, understand and assist
- **RESPONSIBILITY** – we assume responsibility for the development of the Bank and our own development
- **TRUST** – we keep our word and build quality relations
- **INNOVATION** – we encourage the new and constantly improve the existing
- **CREATION** – we create value for our clients, shareholders and ourselves

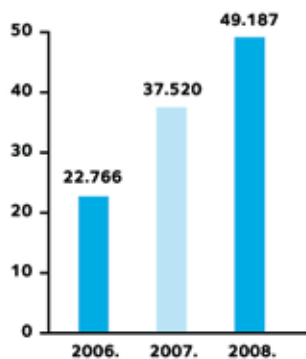
Erste Bank a. d. Novi Sad focuses on business with individuals, SMEs, as well as local self-government units. Our core activities – deposit collection and loan granting – are accompanied by a wide range of other services to clients such as e-banking, card business and guarantee operations.

Our Bank is a member of business associations (Foreign Investors Council – FIC, American Chamber of Commerce – AmCham, Serbian Chamber of Commerce)

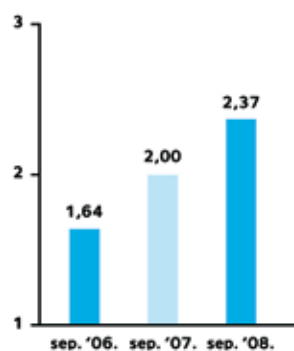
HOW WERE WE CREATED?

Just like the country in which it operates, our bank has had a long and exciting history since its establishment.

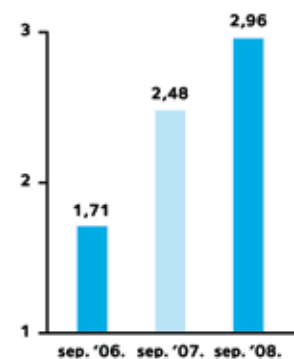
- 1864** – Novosadska Štedionica – the first financial institute and the first bank in Serbia
- 1923** – Trgovačka i Obrtna Banka D.D. Novi Sad
- 1944** – Privredna Banka Vojvodine
- 1955** – Komunalna Banka
- 1966** – Novosadska Banka i Štedionica
- 1978** – Novosadska Banka Osnovna Banka AD
- 1989** – Novosadska Banka DD
- 1995** – Novosadska Banka AD
- 2005** – Erste Bank a. d. Novi Sad



Total assets growth (mil. RSD)



Market share - loans (in %)



Market share - deposits (in %)



CSR in Erste Bank a. d. Novi Sad:

THE BANK IS THE PEOPLE

From the very beginning, Erste Bank a. d. Novi Sad has been applying the corporate philosophy of Erste Group in Serbia as well and, in addition to that, setting itself new goals and exploring new directions of activity, while bringing creativity into banking business.

We perceive corporate social responsibility as a comprehensive framework of corporate governance based on the idea that the fulfilment of our economic goals is only possible in thriving and stable communities. Therefore, we base our business on the following premises:

- **Responsible way of doing business:** we are guided by good practice in management and operate in a fair and transparent manner.
- **Care of employees:** we take care of the people who work with us, create a pleasant working environment, provide opportunities for further advancement and reward the best performance.
- **Rights and needs of clients:** we respect our clients – their needs as well as their rights.
- **Welfare of the community:** welfare of the entire community implies our progress as well. Therefore, not only do we invest in the welfare of the community but also take into account the impact of our business moves on the community.

Through these premises we also defined four key groups of actors:

- employees
- market
- clients
- community.

We try to develop our relations with all stakeholders in a responsible and ethical manner, while simultaneously actively engaging in the resolution of key social issues.

The key areas on which the Bank focuses are related to the challenges that Serbia faces:

- European integration
- social inclusion
- education and development of culture and art as well as to the global challenge
- preservation of environment.

Our engagement is marked in particular by the efforts we invest in promoting the concept of corporate social responsibility, which is still a relatively new subject in Serbia. In accordance with that policy, our Bank became a member of several business initiatives advocating CSR in Serbia, such as the UN Global Compact and the Business Leaders Forum.

The activities on which we focused in 2008 include:

- *employees*: development of common mission and vision, professional and personal development of employees, more active inclusion of employees in the process of making decisions related to business, development of strategy and promotion of volunteer programme;
- *market and clients*: introduction of new products and services, improvement of procedures and supporting documents for managing client complaints and objections, development of the newly established Erste Bank EU Office and issuance of the Erste EU Monitor bulletin;
- *community*: implementation of the Centrifuge and Club 27 projects for the second time, intensification of Bank support to projects aimed at raising the general public's awareness of importance of inclusion of vulnerable groups of our society, as well as intensification of support to projects dealing with raising awareness of preservation of environment.

The year 2008 was especially significant because, based on our plans and activities, we started drafting the CSR Strategy that will enable the application as well as monitoring and evaluation of our results in this field.

THE TEAM:

- Communication Division
- Human Resources Division
- Sales Support Department, Retail Division
- Sales Support Department, Corporate Banking Division
- Property Management Division
- Bank Executive Board

PLANS FOR 2009

GOAL

- complete and adopt a comprehensive CSR strategy
- prepare an operational plan according to the adopted CSR Strategy
- communicate the strategy internally as well as externally
- prepare the first Corporate Social Responsibility Report



OUR PEOPLE

Relations with employees and environment

People are the key factor for success of our organisation! At the time of European integration and globalisation, in an extremely competitive environment, human resource management becomes a huge challenge that we recognised and accepted.

Our wish is to create an ideal work environment:

- the right people with the right knowledge and skills at the right place at the right time
- employees fully satisfied and proud of their job and the company in which they work
- Bank – a place full of opportunities for professional and personal development.

We believe that the joint creation of encouraging organisational culture is extremely important for the creation of such an environment. The Organisational Culture Change Project, initiated successfully in 2008 and created based on the 2007 employee satisfaction survey, can serve as an example. By including the first three management levels in the analysis of the survey results, during 2008 we also jointly arrived at corporate values, mission and vision of Erste Bank..

When it comes to employees, the subjects on which we focus are:

- rights – labour-law relations and employment
- performance evaluation,
- professional and personal development
- communication, solidarity, quality of living
- inclusion of employees in decision-making processes.



ERSTE BANK A. D. NOVI SAD IN FIGURES

As of **31 December 2008** the total number of employees was **1,009**, of which **942** were permanent employees and **67** temporary employees.

Age structure	Share
up to 20	0%
from 20 do 30	23,09%
from 30 do 40	28,24%
from 40 do 50	25,27%
from 50 do 60	22,69%
over 60	0,69%
Total:	100%

Women	Management level	Men
72,82%	Total Bank employees	27,18%
66,67%	Executive Board	33,33%
52%	Executive Directors	48%





Rights

The Erste Bank **Collective Bargaining Agreement** guarantees the rights of employees established by the Labour Law and the General Collective Bargaining Agreement. Also, **freedom of trade union organisation** and activity is guaranteed to the Erste Bank employees. The rights that the employees may exercise on the basis of employment are available to them through the Bank's internal portal InfoNet.

There is no form of discrimination against persons seeking employment with the Bank or against employees regarding gender, birth, language, race, skin colour, age, pregnancy, health status or disability, ethnic affiliation, religion, marital status, family obligations, sexual orientation, political or other persuasion, social background, property status, membership in political organisations, trade unions or another personal trait.

Through the **Employment Procedure**, the Human Resources Department ensures that the right people are at the right place, which also contributes to the Bank's goals and the achievement of the employees' full potential.

Performance evaluation

Incentives for excellent performance and remuneration are provided for in the **Regulation on Establishing Employee Performance** according to the **criteria identical for all employees**.

We continuously improve the bonus system by amending the quality and difficulty of the set targets as well as by reviewing performance evaluation, taking into consideration suggestions obtained through dialogue and interaction with employees.

In addition to the rights provided for by the Labour Law, the **Collective Bargaining Agreement** guarantees each Erste Bank employee the following rights as well:

- annual vacation above the legal minimum, according to the CBA criteria, of 27 working days on average,
- right to paid and unpaid leave in more cases than those stipulated by the Labour Law
- right to wage, wage benefit (the average wage higher than the Republic average), right to meal allowance, right to vacation allowance, in both cases above the General Collective Bargaining Agreement. Wage benefits, increased wage and other earnings are received in the amount above the legal minimum – sick leave, severance pay in exercising the right to retirement, anniversary rewards, New Year presents for children, 8 March gift cards to women employees, money gift for newborn babies,
- right to education, advanced training, vocational training, acquiring special knowledge when required for the purposes of the work process, beyond the level stipulated by the law.

REWARDING EXCEPTIONAL PERFORMANCE

The Bank ensures that the employees feel that their effort and work are appreciated, so by means of multiple reward system we single out the employees who perform their work in an exceptional manner, through the following:

- bonus system that reflects the work throughout the year,
- monthly incentives for the best performance during one month,
- special rewarding of exceptional performance,
- Erste Group shares and a share in the company profit.

Development

We are focused on creating the environment and opportunities for our employees conducive to the development of managerial skills or specific skills necessary for everyday work as well as for career development.

Back in 2007 we established the **Training and Evaluation Centre**, which enables permanent work on personal and professional education of employees through standard and targeted training courses, workshops, etc. The Centre is envisaged so as to provide support to the strategic orientation of the Human Resources Division to support the employees through advice, activities and tools in the field of human resource management as well as increase in the productivity of employees through the permanent provision of professional and personal development.

The activities in 2008 include the following:

- around **500 employees** received different forms of training such as sales skills, communication skills and negotiation, as well as highly specialised trainings directly related to specific types of work the employees perform; approximately **RSD 22,000,000** were invested in this type of training
- the Bank granted scholarships to **10 employees**, in which around **RSD 900,000** were invested
- **four** employees participated in some of the **Talent Development Programmes at the Erste Group level**:
- Group Junior Trainee Programme (two participants in 2008) – a programme for top talents in the fields of risk management and corporate banking
- Group Leadership Development Programme (one participant in 2008) – an Erste Group-wide programme for potential senior managers
- Top Executives Development Programme (one participant in 2008) – a programme for the Executive Board members or top managers with potential for membership in the Executive Board
- Group Senior Professionals Development – a programme for experienced professionals/experts with potential for greater responsibilities or for managerial positions.

Mobility

For the purpose of better exchange of experience and knowledge, further advanced trainings of its employees and improved performance, Erste Group encourages employee mobility within the group. One of the examples is **Edit Kifer**. As Marketing Manager of Erste Bank Vienna Marketing Department, Edit got an offer to return to her homeland, Serbia, as Executive Manager of Erste Bank Serbia Marketing Division.

"During three years it became clear to me how important it is, in a country that is undergoing transformation itself, for everyone to pull in the same direction and strive towards the realisation of the same goals," says Edit. After three years in this position, Edit returned to Vienna, but this time to the position of Group Identity Manager.





Communication, solidarity, quality of life

We believe that the inclusion of employees' opinions and views by means of continuous communication is of extreme importance for a good work environment. Therefore, our internal communication strategy is aimed at building corporate culture oriented towards open, transparent, two-way and timely communication with the employees, for which numerous communication tools are used, with the Bank internal portal being the central information channel. The internal portal is accessed by about 94 percent of employees per month on average. Four times a year, together with our employees, we prepare and publish the Puls internal magazine. In addition to texts on the Bank's business, Puls also has creative and entertainment contents that help us get to know each other better and become an even stronger team. A number of activities were realised in 2008 in which the members of the Bank Executive Board participated, such as the Open Door Day, phone calls to the best sales staff and similar.

For the purpose of promoting actively healthy living and stress reduction, a pilot programme named **Giving up Smoking through the Allen Carr Programme** was created. The Human Resources Division and the Communication Division, under the "lead by example" slogan, successfully participated in the pilot project and in 2009 they implement the programme at the Bank level.

Mutual solidarity is important to all employees in Erste Bank – colleagues from work are not just colleagues but also friends in case of need. Thus a joint fund of the employer and the trade union was created – the Marina Ćurčić Fund, with the aim of providing solidarity aid to employees in cases of illness, death of an employee or a member of his/her family household or poor financial situation. This Fund also grants loans to employees for the education of their children and grants scholarships to children of single-parent employees. During 2008, the fund used over RSD 2,500,000 to:

- help **95 employees** to cover medical expenses, pay tuition fees, as well as cover funeral expenses
- disburse 12-month scholarships for **fourteen children** of employees who lost one parent.



AN EXEMPLARY CASE

Ivana Gagić

On the way to becoming the Governor of the National Bank of Serbia

Who is Ivana Gagić?

Ivana Gagić was born in Čačak in 1983, where she attended elementary and secondary school. After graduating from the Belgrade Faculty of Economics, she decided to stay in Belgrade, where she lives and works today. She studied for her exams in the library, rarely attended lectures, but regularly attended conferences and advanced trainings in the country as well as abroad, and owing to a large number of scholarships she received during the studies she could afford travelling abroad. In mid-2006 she was elected one of the top 200 university students in Serbia.

WHY IS ERSTE BANK A GOOD ENVIRONMENT?

"Erste Bank is a good environment for me because it takes care of its employees and provides them with an opportunity for advanced training and professional development. The existing programmes for employees create a work environment "without frontiers" that will, in my opinion, result in faster and more efficient development of the whole Group," states Ivana.

"In addition to priority goals of any bank – profitability, growth and market share increase, Erste Bank also takes care of the community development with its frequent environmental activities by supporting cultural, educational and other events and projects. It is a bank that is the leader in CEE, that sets standards and has a clearly defined identity and corporate culture," says Ivana Gagić.

THE TEAM:

Human Resources Division
Communication Division – Internal
Communication
Bank Executive Board

PLANS FOR 2009

IMPROVEMENT OF EXISTING PROGRAMMES

- continuation of work on organisational culture development
- regular annual review of the agreement with the trade union
- further improvement of the training and development programmes
- consolidation of the remuneration system and of the employee offer package
- continuation of the existing internal communication programmes

SPECIAL PROJECTS

- harmonisation of internal rules with European human rights documents
- development of anti-mobbing policy and procedures
- development of employment strategy for persons with disability
- project of promoting the Bank as a desirable employer

Why economics and why banking, finance and insurance major?

As Ivana says: "It is my great desire to become the Governor of the National Bank of Serbia one day. On the way to that goal, the Faculty of Economics and experience in the leading European banks are the key for acquiring necessary knowledge and experience."

The first contact with Erste Bank in Serbia

As a student of the Belgrade Faculty of Economics who has completed all course requirements, during summer 2007, together with another seven fellow students, she was selected to represent her Faculty at the Summer University that Erste Bank had been organising ever since 2001 as a free summer school in the field of financial services and human resource management for selected students of faculties of economics. During one month of lectures, workshops, discussions and presentations, Ivana acquired new knowledge in the field of economics but, even more importantly – she met people of six nationalities, visited five countries, learned their customs and made fifty-five new friends with whom she maintains contact and visits even today.

A member of the Erste Bank team in Serbia

Immediately after graduating from the faculty, she went through the recruitment process in Erste Bank Serbia and started her career in the Corporate Risk Management Division. After just a few months of work experience, from September 2008, she was selected to participate in the Erste Group Junior Trainee Programme (EGJTP), which is aimed at acquainting 46 newly employed persons from the countries in which Erste Group operates with the Group business standards, as well as contributing to their education and further advanced training. The EGJTP lasts for one year and involves travelling to the Erste Group countries, in which training, lectures and exams are organised, as well as participation in various projects.

A chance to become a member of the Erste Bank team in Vienna

In early 2009, the creators of the Group-wide Phoenix project made a decision to select five EGJTP participants who would participate in the implementation of this project. The invitation to go to Vienna for a six-month period also came to our Ivana, who distinguished herself with her effort and commitment in the course of EGJTP so far and was thus selected by the leading people at the Erste Group level. However, Ivana decided to stay in Belgrade with her colleagues in the Risk Management Division, but she is sure that there will be another opportunity for her to go to Vienna.



Market and CLIENTS

Observing the principles of transparency and ethics...

General business terms of the Bank (all products and services that we offer, as well as the terms under which we do so) are available to all clients, as well as to all interested persons and may be found on the Bank website (www.erstebank.rs), obtained by info phone (0800 201 201 and 064 60 15 999) or personally at any branch of the Bank.

The offers that we create and give to our clients include all necessary information, from nominal to effective interest rate, validity period and the terms we offer in specific cases.

The contracts that we conclude with our clients have no hidden clauses, all information is clear and precise.

The Erste Bank External Communication is always available and open to any questions from the media. True and precise information and data on the Bank business operation and its results achieved at the national level in Serbia, as well as at the regional level as Erste Group are regularly distributed by means of press releases and press conferences.

Consumer protection mechanism

Certain client protection mechanisms are defined by the **client complaint/objection management procedures as well as by the Your Opinion is Important to Us form** that is located in a visible place in all branches of the Bank. Each complaint/objection lodged with the Bank is responded to immediately after its receipt. We always respond in writing and in the shortest time possible.

Service quality, diversity and availability

For the purpose of further improvement of the Bank products and services, as well as the manner in which they are offered to clients, quarterly reports are prepared for the top management of the Bank, which present the current situation along with suggestions for further improvement.

In 2008, we opened nine new branches – five in Belgrade and one in each of following towns: Šabac, Smederevo, Požega and Velika Plana. Another four are to be opened in early 2009 – in Požarevac, Kruševac, Jagodina and Novi Pazar. Around EUR 1,000,000 was invested in equipping them for operation. We continued the restoration of the Bank's head office at no. 5, Bulevar Oslobođenja, Novi Sad, as well as of several other facilities that are already in use, while the Vrbas branch was moved to larger premises and the Šid branch was enlarged. Over EUR 1,100,000 were invested in these activities.



When promoting our products and services, messages are created that must contain clear and complete information. All promotional activities of the Bank are guided by the Erste Group principles such as:

- truthfulness
- humanity
- availability
- interest (attractiveness)
- simplicity.

The new products introduced in 2008 include the following:

- subsidised housing loans in cooperation with the National Mortgage Insurance Corporation for professional military personnel of the Serbian Armed Forces
- subsidised housing loans in cooperation with the National Mortgage Insurance Corporation for health care employees
- concluding an arrangement with the Military Pension Fund so that now military pensioners may use the Bank products and services
- the EU Office.

AN EXEMPLARY CASE

The **Erste EU Office** was opened in late 2007 for the purpose of ensuring that the Bank provides complete service to its clients in a single location, from information to project documentation preparation when projects are submitted for financing from the European Union funds. In addition to information on subsidies from the EU funds, client support also implies, inter alia, the provision of contacts for government authorities, business associations and central banks, special services for small and medium-sized enterprises, including also the organisation of seminars, preparation of publications and similar.

The main strategic goal of the Erste EU Office is to ensure that clients, as well as the widest public possible, are informed about the stabilisation and association process and the economic and social reforms it entails, understand general goals of joining the European Union, get a balanced opinion in connection with its consequences and have sufficient reliable information at their disposal in order to assume their role and obligations under the SAP.

Within the Erste Bank EU Office concept, special attention is paid to informing and advising clients in connection with the European Union accession process. Exactly for that reason:

- We launched the Erste EU Monitor – a bilingual (printed and electronic) monthly bulleting intended for Erste Bank clients, employees and friends – which we deliver free of charge to anyone showing interest
- all information on this subject is also available by phone
- we support initiatives that inform, promote and educate the entire public on the European integration process, especially those directed to the young people who will be the driving power of future entrepreneurship in Serbia.

"Pension with No Tension"

Erste Bank, as a bank that has been operating in Serbia for a long time (previously as Novosadska Banka), has a great number of clients among pensioners. A majority of these clients had a dinar savings book to which regular monthly pension was directed. The time necessary for withdrawal from dinar savings book is 40 percent longer on average than for withdrawal from current account, which led to long queuing.

How to bring the new technology of modern banking services closer to pensioners?

The idea was to open a current account and provide a payment card to all clients who receive pension via savings books. We provided free delivery of account statements and both pension cheques to all current account holders to their home address (upon the first inflow to their current account).

It was necessary to provide some incentives to pensioners to use payment cards and ATMs. Therefore a prize draw game was organised as well as the possibility of withdrawing pension a day earlier than the regular withdrawal day, but only at the Bank's ATMs. For all those who still wanted to withdraw their pensions at the Bank cash desks this possibility remained open, but only on the day of regular pension withdrawal.

THE TEAM:

- Sales Support Department, Retail Division
- Sales Support Department, Corporate Banking Division
- Communication Division – External Communication
- Communication Division – EU Office
- Bank Executive Board

PLANS FOR 2009

IMPROVEMENT OF EXISTING PROGRAMMES

- further development of services, especially for senior citizens
- development of the EU Office operation
- improvement of client satisfaction monitoring mechanisms
- improvement of client communication channels by information packages and posting FAQ on the Bank website

SPECIAL PROJECTS

- development and adoption of the code of ethics according to European standards
- analysis of supplier work according to the CSR standards
- offer package for non-profit initiatives and organisations

For the purpose of bringing the use of payment cards and ATMs closer to pensioners we engaged younger pensioners who conducted trainings and assisted other pensioners in getting accustomed to using them. We also decreased the fees for account balance inquiry at ATMs and introduced a grace-period dinar loan for pensioners.

THE RESULT OF THE "PENSION WITH NO TENSION" CAMPAIGN

Around 90 percent of clients (pensioners) targeted by the campaign opened a current account and thus the time necessary for pension withdrawal was halved. The long queues on the pension withdrawal day have practically disappeared.



ERSTE



ERSTE

ERSTE



ERSTE



FELLOW CITIZENS

in the communities in which we operate

In addition to our desire to be a long-term partner to businesses and individuals, a part of our business philosophy is also to contribute actively to the development of the society, trying to be closely connected with the local communities in which we operate. We believe that, by continuous and proactive investment in the communities in which we operate, we contribute to their development and stability.

Our thematic priorities are:

- European integration
- education, culture and art
- social inclusion
- environmental protection

By supporting community projects, we always have long-term effects in mind. We take care of the quality of programmes and encourage innovation. As in everything else we do, our work in the community is proactive: in addition to supporting projects proposed to us by citizens, we initiate them as well. We implement projects independently, in cooperation with Erste Foundation or in cooperation with local partners.

European integration

In supporting projects in this area we are especially focused on improving the level of information and knowledge the citizens of Serbia have about the European Union. Therefore, we provided support to the ISAC Fund in 2008 for the project of preparing a Guide to the EU Stabilisation and Association Agreement. In addition to that, we also established cooperation with the Publications Office of the European Union regarding the translation and printing of the SME Guide to the EU Research and Development Programme FP7. Understanding the significance of timely dissemination of information to the public on all important subjects, we were pleased to establish partnership with the European Integration Office of the Government of Serbia and the European Commission Delegation to Serbia on the project entitled Contest for the Best Media Report about the European Integration Process. Upon our proposal, an additional category, Best SME Report, was also established, because our goal is to shift the emphasis and significance of European integration from the daily political sphere to the sphere of improving the life of all citizens of Serbia.

In 2008, we invested over RSD 31 million in the local community in which we operate, by implementing more than 70 projects and two special programmes – Centrifuge and Club 27.

We pay special attention to partnerships: we believe that synergy, especially between partners from different sectors, brings additional quality and value to any initiative.

We in Erste Bank have long since become aware of the fact that young citizens of Europe constitute one of the most important development and integration forces, so we deal with special attention with the issues of improving the status of youth. To that end, we support a large number of projects dealing with the European integration process. In 2008, we established partnership with the Creative Education Centre from Novi Sad on the implementation of the European Youth Week in Novi Sad and we were also one of the partners in the Café Europe project as part of the Exit 08 Festival.



CLUB 27

Club 27, as a contest for young talents in the field of natural and social sciences and art, motivates but at the same time also promotes the best young people of Serbia. We launched it in 2007 in cooperation with Visa International and media partners.

An expert jury composed of university professors and persons from public life makes a selection of 15 candidates; the winners are decided by public voting by means of SMS messages and Internet.

By scholarships of up to EUR 2,000 as well as by promotion, we reward young people who are an example to all of us for their extraordinary results, creativity and humanity.

More details about Club 27 and its members at www.superste.net.

"Imagine a bridge that connects the bank of knowledge and experience with the bank of fresh energy and ideas. That is the mentor walk to me. This project is designed to connect business women and students as mentors and protégés, and encourage them to discuss how to get ahead. A kind of wild relationship is created through mentoring, similar to that built through an intimate friendship, because, like in friendship, the discussion is about personal experiences, ups and downs, successes and mistakes. And that, although not easy, provides an irresistible joy of giving."

Ana Firtel Vlajić
Executive Manager, Foreign Investors Council



Education, culture and art

By our involvement and support in this area we wish to give contribution to the cultural scene of Serbia and Belgrade, but also of every community in which we operate. Therefore, we supported the organisation and improvement of traditional and cultural events such as Sterija Theatre Festival, Zmaj Children Games, exhibitions at the Museum of Modern Art, and institutions such as the Cultural Centre of Belgrade, Niš and Smederevo, the Chamber Music Society from Novi Sad and Belef (Belgrade Summer Festival).

At the same time, we believe that it is important to create space for alternatives and innovation and young people, so we supported the 6th International Comics Show at the Student Cultural Centre, the Intercultural Theatre, EDIT & I - the first animated film in Serbia, as well as numerous young unestablished artists of Serbia.

We are especially proud of our cultural decentralisation programme Centrifuge, by which we offered grants of up to EUR 4,000 to young people aged 15 to 30 to design and launch new cultural projects in their respective towns. In the last two years, Centrifuge enabled new events in Užice, Pančevo, Sombor, Kraljevo, Smederevo, Zrenjanin, Temerin, Kragujevac and Vršac.

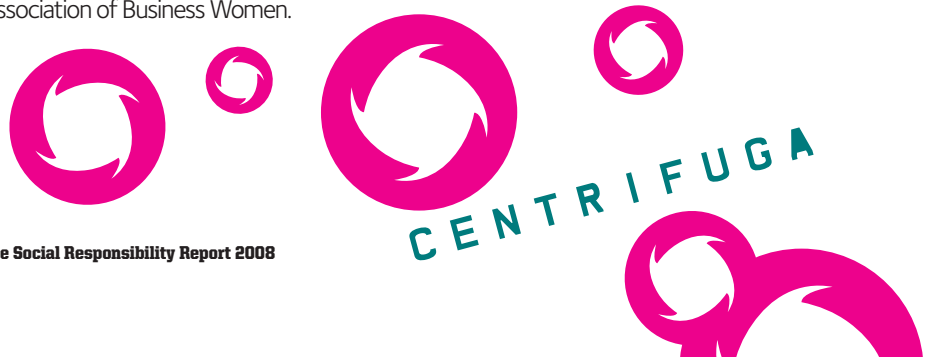
We have a similar approach in supporting education as well: in 2008, we supported elementary and secondary schools in Novi Sad, Kraljevo, Valjevo, Subotica, Đurđevo, Sremska Mitrovica, Umka and Štitar, Institute of Physics, Belgrade, Faculty of Architecture, Belgrade, but also alternative education programmes such as the 3rd World Biennial of Student Poster of the Novi Sad Art Academy, the 2nd Science Festival, and the (Un)limited Identities Summer Academy as part of the SERBIE MOBILE_ Between Two Stops project of Kulturklammer – Centre for Cultural Interactions.

For the purpose of providing support to the improvement of our country's education system, the Bank started to support secondary schools of economics, in 2007. We donated technical equipment (computers, printers, projectors and screens, TV sets and similar) to secondary schools of economics in Čačak, Kragujevac, Niš, Kraljevo, Valjevo and Subotica. These schools are included in the modern education method project, which was initiated by the Ministry of Education and Sports with the support by German Society for Technical Cooperation - GTZ.

In addition to individual initiatives, we also launched national programmes Club 27.

Finally, we are proud of the fact that we also support programmes that promote and assist women's solidarity and leadership: in 2008 we launched the Mentor Walk for Women, through which young and promising women establish contact and have an opportunity to learn from women who have already achieved success in their career.

We also supported the event entitled Flower of Success for a Dragon Lady organised by the Association of Business Women.





Social inclusion

Recognising that there are many in our society that need help, Erste Bank pays special attention to the allocation of funds for initiatives and projects that improve the quality of life of persons with special needs, children, the poor... It is especially important to us that the programmes we support contain the inclusion element, as well as reduce isolation, which often is one of the key problems that many people face.

So, in 2008, we supported the Biser Association from Srbobran, to continue the programme of education within the day centre for children with developmental impairment; the Disabled Student Association Novi Sad to show to general public, through the Seize This Day with Me Film Festival, the importance of inclusion of persons with disability in our society; Mesečina (Moonlight) from Subotica to organise a prevention programme for youth at risk; and the Drop-in Centre for Street Children, Belgrade. At the same time, aware that the crisis increases the number of the poor, we continued our support to the Food Bank Association.

Environmental protection

Although by the nature of its business the Bank does not belong to industries that are direct polluters of environment, as a responsible company we are aware of the increasingly critical pollution level, the high electricity consumption rate and the still low awareness of the importance of investing in alternative energy sources and recycling. We believe that it is important to give our contribution in this field as well.

We divided our activities in this field into three directions: concrete measures and activities by which the Bank contributes to the preservation of environment, education of employees in the preservation of environment, support to projects aimed at raising awareness of general public of the preservation of environment.

So far we have undertaken the following **concrete measures and activities** by which we contribute to the preservation of environment:

- IT equipment recycling, by which all old equipment such as computers, laptops, printers and similar, is handed over for recycling
- toner cartridge recycling (this is a regular, continuous activity)
- replacement of regular light bulbs with energy-saving bulbs in all premises where it was possible. In 2008, we established the mounting of energy-saving bulbs at newly opened premises as our standard
- initiating analysis of heating systems at all Bank premises
- mandatory check if the lights, air-conditioners and other devices are turned off after the end of working hours.



How our employees join us

Recognising the problem of inequality of children with disability in our society, the Erste Bank employees wanted to give their contribution to its resolution. The goal was to enable children to develop freely their creativity, versatility and independence through schooling, education and rehabilitation, which is provided to them by schools adapted to them.

At the meeting of its employees last year, Erste Bank organised for the first time a charity campaign as support to the My Little Table programme of the well-known fashion designer Dragana Ognjenović. By purchasing items for home use made by the pupils from special schools for children with disability included in the abovementioned programme as well as by purchasing fair sweets, the employees raised enough money to donate a ceramic and porcelain kiln to the Sveti Sava School, Umka, and necessary equipment for making didactic wooden toys to the Milan Petrović School from Novi Sad. Both schools are specialised in elementary and secondary education of disabled children.

Through rules and activities within the Bank we wish to inform and motivate our employees to give their contribution to the preservation of environment by doing little things. We believe that they will bring the habits of turning off unnecessary light, proper use of air-conditioning devices and similar to their homes as well, among the members of their family and friends.

Testifying to the Bank employees' awareness of environmental pollution and desire to make a personal contribution is also the fact that they voted for this subject as the pilot volunteering programme in 2008. The volunteering activity was carried out in Obedska Swamp, where the Bank management cleared the habitat for the return of the ibis.

Thirty employees took part in the activity, including the (then) Chairman of the Executive Board of the Bank.





AN EXEMPLARY CASE

Volunteering of our employees in an environmental activity: In September 2008, we implemented a volunteering activity in Obedska Swamp, with the participation of the Bank management. Before organising the activities themselves, our colleagues completed a questionnaire with the aim of establishing whether they have experience in volunteering programmes but also what their views and suggestions are regarding the activities in which they would wish to participate. At the very beginning we determined that, in the majority of cases, it was very important to the surveyed colleagues that their company supports the development of the society (79 percent), while it was partially important to a smaller number of them (21 percent). The fact that the majority of the surveyed colleagues selected environmental protection as the field in which they would like to perform their volunteering activities (23 percent) was an indicator that there was awareness of the need for the preservation of environment. In accordance with this, an activity was organised in which the Erste Bank volunteers contributed, by clearing the vegetation from a part of Obedska Swamp, to the creation of wet meadows and open water surfaces and conditions for the return of swamp birds.

How did the Erste volunteers feel after the activity?

Milan Kostić, Alternative Distribution Channels Department

"The past volunteering activity presents a very positive experience to me and unveils a new dimension of the people I was surrounded by in my everyday work in the Bank. I am a nature lover and it was a real revelation and a pleasant surprise to me when I recognised nature lovers and protectors in my colleagues as well. The work that was done in one day of volunteering is relatively small compared to the total volume of the work that has to be done, but all colleagues put their hearts in it."

Milka Gvozdenović, the Young Researchers of Serbia
(implementing of the Return of the Ibis project)

"Although the Young Researchers of Serbia have been working as volunteers on the revitalisation of wet meadows in Obedska Swamp for eleven years now, the volunteering day with the Erste Bank employees was extremely important to us, because people of different professional activities got involved and demonstrated that anyone can contribute to solving environmental problems! To us, it was also a possibility to perceive our work in Obedska Swamp from the perspective of the people to whom our activity is not their profession. The results achieved are more than the cleared areas of wet meadows. The satisfied faces of the participants in these activities are a real incentive for our further work."



AN EXEMPLARY CASE

CENTRIFUGE ON THE MOVE - IZ-GRADnja Youth Group: One of the most successful initiatives during the previous two years within the Centrifuge grant programme is the **UNDERGRAD Youth Group, Užice**. In 2007, this creative group that brings together the youth of different artistic profile established **the first festival of alternative film and video in its town**. After the experience of participating in similar festivals in the Balkans, the Užice youth wished to share the latest achievements in this field with their fellow citizens, but also to offer an opportunity to their creative peers to express themselves and bring new, original ideas to the festival programme.

During thirty days of workshops, young authors had an opportunity to combine their talents with the skills of video production, recording and editing and to prepare a diverse and rich programme for the Užice audience in the three days of the festival. In addition to video works, in the course of the festival the participants managed to get a large number of their fellow citizens interested through different creative activities in public spaces, bringing their interests and understanding of urban culture closer to them: the skill of skateboarding, graffiti drawing, music programmes and similar.

From enthusiasm of young people of Užice to regular event in the town

The first successes and support in the community encouraged the group to establish the festival as a regular event that will be held every other year, introducing new accompanying programmes in each following festival, in a modern manner and in accordance with the views of the youth: concerts and parties, slam poetry evenings, activities that use art in public spaces etc.

THE TEAM:

- Communication Division – Sponsorships and Grants
- Communication Division – EU Office
- Property Management Division
- Bank Executive Board

PLANS FOR 2009

IMPROVEMENT OF EXISTING PROGRAMMES

- continuation and improvement of local grants as well as larger programmes ("Centrifuge", "Club 27", Virtual Banks)
- continuation of work on the development of rules and procedures within the bank that contribute to environmental protection
- cooperation with partners on environmental protection promotion
- expansion of the volunteering programme for employees

SPECIAL PROJECTS

- improving the management and administration of grant allocation programme
- introduction of paper recycling
- training of suppliers, partners and clients in environmental protection

What Centrifuge really achieved...

Having in mind that this festival was a trigger for activating the youth in the local community, its reach after the project completion was not limited solely by the space and timeframe of the future regular event in Užice. The invested effort of all project participants had an impact on their further creative activities in Užice in the field of visual art, film, painting public spaces with graffiti (the elementary school wall), as well as the establishment of the Izgradnja multimedia club. Thus, owing to the Centrifuge support, this project had an impact not only on the participants, but also on the community, which recognised the significance of the Undergrad initiatives for their community.

Social responsibility INITIATIVES and networks

It is worth reminding that a special characteristic of our involvement in the CSR field are the efforts we invest in promoting the concept of corporate social responsibility in Serbia by our own example as well as through intense cooperation with partners from public and non-profit sectors. With this aim, our bank is one of the founders of the Business Leaders Forum and, apart from being a member of the Board of this initiative, the Bank's representative is also chairing the Board of the United Nations Global Compact.



The Business Leaders Forum (BLF) was established on the initiative of the Smart Collective NGO and several leading local and international companies. The BLF member companies should have acknowledged and recognised socially responsible activities and projects (which is verified by completing the relevant questionnaire) and sign the Memorandum of Understanding by which they undertake to integrate further, on the voluntary basis, social responsibility in their everyday business. The Forum conducts a number of activities aimed at promoting the CSR concept in Serbian business sector and in general public, such as the publication of newsletters and other publications on corporate social responsibility, organising trainings and conferences. In addition to these "educational" activities the aim of which is to raise awareness of corporate social responsibility to a higher level and to make CSR the standard in the business in Serbia, the BLF will also conduct a series of joint activities with the aim of increasing the effect of the CSR programmes of individual companies and achieving the value added that networking and joint action bring. As one of the first activities realised by the BLF in late last year was volunteering activity of pre-holiday improvement of the Drop-in Centre for Street Children, Belgrade.



Global Compact Network
Serbia

In practice, the **United Nations Global Compact** is a framework for exchange of professional knowledge and improvement of business practice of the Global Compact members committed to the integration of fundamental and universally accepted principles in the field of protection of human and labour rights, environmental protection and combating corruption. The Global Compact is not a regulatory body and does not supervise, impose or evaluate behaviour or activities of individual companies. Instead, the Global Compact relies on the responsibility, transparency and established business interest of companies, non-governmental sector organisations, associations and academic institutions with the main aim of initiating and exchanging knowledge about concrete activities that promote and apply the fundamental principles of social responsibility in practice. Within this initiative, Erste Bank joined four working groups and contributes to solving the following issues and tasks:

- Working Group on CSR in Banking
- Working Group for Social Inclusion
- Working Group for Preparation of National CSR Strategy
- Working Group for Environmental Protection.

THE AWARDS

received so far



Award for Corporate Philanthropy - VIRTUS 2007,

within the category of supporting the most innovative project was granted to Erste Bank for the Avantura Cooltura project

Statement of Jury:

“Erste Bank has got clear strategy and policy of investing in community; such approach positions it as the one of the leaders within the sphere of socially responsible business in our country. Avantura Cooltura is the project the aim of which is to present the culture and sport institutions and events in Belgrade to the students of sixth grade of Belgrade primary schools and to motivate the primary school students to take action. Its innovativeness lies in the method in which the cultural activities of the city of Belgrade are to be presented to the children through multimedia. The set comprised of multimedia CD and map, as well as culture passport enabling the students the discounts and free of charge entries to the institutions of cultural and historical significance, was granted as gift to around 16,000 students.”



Award for Corporate Philanthropy - VIRTUS 2008,

within the category of supporting the most innovative project for the EU Office project

Statement of Jury:

“Award for supporting the most innovative project was, for the second time in a row, granted to Erste Bank, this year for the EU Office project. Through its EU Office, the Bank contributes to the promotion of the process of European integration and, at the same time, supports the projects and activities which are implemented in partnership with the representatives of the governmental and non-governmental sectors. Erste EU Office, besides information on subsidies from EU funds, ensures contacts for government authorities, business associations, and central banks, special services for small and middle enterprises, including the organisation of seminars, preparation of publications, and the like. Besides, Erste EU Monitor was initiated, a bilingual bulletin intended to the clients, employees, and friends of the Bank. The project innovation is reflected in added value for the clients as well as in pioneer project character implemented by Erste Bank in Serbia.



BIZART 2007

award for the most successful partnership of business sector with design sector, Erste Machine project



PRiznanje - Award of Serbian Public Relations Association for Internal Communication

PRiznanje of the Serbian Public Relations Association within the category of “Internal Communication” is granted for the best strategy of communication with employees, for the campaign which motivates, inspires, and aims at including and maintaining the engagement of the employees for the purpose of promoting the company objectives, as well as for well designed and used internal communication channels like: internal magazine, internal newspapers, internal publication, web-page, and the like. In this category, Erste Bank received the Internal Communication category.



PRiznanje - Award of Serbian Public Relations Association for Corporate Social Responsibility

PRiznanje of the Serbian Public Relations Association within the Corporate Social Responsibility category is granted for the best strategy, programme, or project related with social and ecological responsibility of the company. Implementation of the concept and communication of socially responsible behaviour with all key players within all key areas are evaluated: relations with employees, environment, local community, relations with consumers, ethical standards, client relations, as well as communication and reporting. In this category, Erste Bank received the award for Socially Responsible Operation Strategy.

PRiznanje - Award of the Serbian Public Relations Association for Integrated Campaign - Centrifuge Donation Programme



This category of the PRiznanje of the Serbian Public Relations Association is granted for the best integrated use of the instruments of marketing communication and public relation to achieve the projected objectives. The objective of this category is to promote the integrated communication by companies, institutions, and agencies to, by combining various instruments and techniques, achieve their synergy, exceptional operation, and better results. Within this category, the jury consider how well all techniques are integrated in a detail strategy, and what effects have been achieved. Within this category, Erste Bank received the award for the Centrifuge donation programme, aimed at motivating young people to develop creative cultural programmes within their local communities. The Centrifuge programme is realised by the Bank in partnership with Balkan Fund for Local Initiatives from Belgrade.

PRiznanje - Award of the Serbian Public Relations Association for Brand and Marketing PR - Club 27 Programme



This category of PRiznanje of the Serbian Public Relations Association is granted for the best designed activities of support to the marketing campaigns of the consumer goods and services within all areas. It includes the programmes of public relations designed in such a manner to present new products or services, or to promote the coming products to consumers, as well as that one business is presented to other business. Erste Bank received award in this category for the Club 27 contest for young talents in the area of sciences and humanities and art within which the best individuals are awarded for the results achieved by public affirmation of these results and with EUR 2,000 in RSD equivalent on youth Visa cards of Erste Bank. This application was organised by Erste Bank in partnership with PR agency Mmd and Visa International.

Erste Bank was proclaimed the one of five socially most responsible large companies in Serbia for 2007

within the Setting up Social Responsibility of Companies in South East Europe programme, financed by Ministry for Economic Co-operation and Development of the Federal Republic of Germany, and in Serbia it is implemented by German organisation InWent GmbH from Cologne together with Serbian Chamber of Commerce.

Table of **MAJOR PROJECTS** supported in 2008

CULTURE



Serbia Sounds Global All Stars (Belgrade)

Partner organisation: B92 Broadcasting Company

As general sponsor, the Bank supported the project named Serbia Sounds Global All Stars, traditional music production edition of the B92 Broadcasting Company for 2008.

Nušić Days Theatre Festival in Smederevo

Partner organisation: Smederevo Cultural Centre

After opening its first branch in Smederevo, the Bank decided to support a regular event entitled Nušić Days as one of the sponsors.

Sterija Theatre Festival (Novi Sad)

Partner organisation: Sterija Theatre

Erste Bank is a traditional sponsor of this event, while in 2008 it was the sponsor of two awards: award for the best play and award for the best direction.

Zmaj Children Games (Novi Sad)

Partner organisation: Zmaj Children Games

Erste Bank continued its decade-long tradition of support to this event and was its general sponsor again.



Beta Contest for the Best Photo of the Year (Belgrade)

Partner organisation: BETA News Agency

The two-year long cooperation with the Beta News Agency in the Beta Photo of the Year prize contest continued. A new category was also introduced this year for the first time – Erste Award for the Funniest Photo.

International Choir Festival (Niš)

Partner organisation: Niš Cultural Centre

Erste Bank was the general sponsor of the 22nd International Choir Festival – Niš 2008 for the first time.

EXIT 008 (Novi Sad)

Partner organisation: EXIT Civic Association

Erste Bank continued cooperation with the EXIT Civic Association and at this year's EXIT 08 Festival, in addition to sponsoring the Festival itself, setting up exchange offices and installing ATMs at the campsite and in the Petrovaradin Fortress, the Bank supported the Café Europe programme on the Agora stage, where many public figures appeared and discussed the subject of EU integration.



6th International Comics Show (Belgrade)

Partner organisation: DNK

For the first time, Erste Bank was the general sponsor of the International Comics Show, which took place for the sixth time in Belgrade. In addition to being the general sponsor of the Show, the Bank also supported the Read Me doll exhibition of artist Milan Zulić.

Edit & I (Belgrade)

Partner organisation: Aleksa Gajić and Yodi

Erste Bank, in partnership with Erste Group members S-leasing and Immorent, is the general sponsor of the first feature-length animated film in Serbia Edit & I, by Aleksa Gajić.

Petar Lubarda exhibition (Belgrade)

Partner organisation: Museum of Modern Art, Belgrade

As one of the donors, the Bank supported the exhibition marking one hundredth anniversary of the birth of Petar Lubarda.

Greatest Hits and Brilliant Words (Belgrade)

Partner organisation: KIOSK Civic Association

The Bank assisted the organisation of Mirko Ilić's exhibition entitled Greatest Hits, which was organised by the KIOSK and Anonymus civic associations in Belgrade. The Bank also supported this association's creative project named Brilliant Words, which was an integral part of the visual programme of this year's Belgrade Summer Festival (BELEF).



Centrifuge (All towns in which Erste Bank operates excluding Belgrade, Novi Sad, and Niš)

Partner organisation: Balkan Fund for Local Initiatives

This year, Erste Bank has also successfully realised the Centrifuge donation programme, dealing with cultural decentralisation. During previous two years, 12 projects from ten towns were supported by the donations

EDUCATION



Virtual Banks (Kraljevo, Valjevo i Subotica)

Partner organisation: Secondary schools of economics

For the purpose of providing support to the improvement of our country's education system, the Bank continued to support secondary schools of economics. It donated technical equipment (computers, printers, projectors and screens, TV sets and similar) to secondary schools of economics in Kraljevo, Valjevo and Subotica. These schools are included in the modern education method project, which was initiated by the Ministry of Education and Sports with the support by German Society for Technical Cooperation - GTZ.



SERBIE MOBILE_ Between Two Stops (Belgrade)

Partner organisation: Kulturklammer – Centre for Cultural Interactions

The Bank was the general sponsor of the (Un)Limited Identities Summer Academy (as part of the SERBIE MOBILE_ Between Two Stops project), which dealt with the issues of modern identity of Serbia and the manner of its presentation in the world. Andrea Brbaklić, Communication Division Manager, was one of the Academy lecturers.

3rd World Biennial of Student Poster (Novi Sad)

Partner organisation: Art Academy, Novi Sad

The Bank has been a sponsor of awards of this international event for the second consecutive year.

Science Festival (Belgrade)

Partner organisation: Museums NightCivic Association

Erste Bank was the general sponsor of the Science Festival for the second time. In addition to being the general sponsor of the event itself, the Bank also gave its contribution to the festival programme by an entertaining display named Erste Bank Mirrors.



Mentor Walk (Belgrade)

Partner organisation: Civic Initiatives Civic Association

The Bank assisted the organisation of the Mentor Walk projects financially as well as by participation of Jasna Terzić, member of the Executive Board and Andrea Brbaklić, Communication Division Manager.

CLUB 27 (the entire Serbia)

Partner organisation: PR agency Mmd, Visa International, Balkan Fund for Local Initiative, Ministry of Youth and Sport

This year, programme/competition for young talents has been continued in the area of science and humanities and art, Club 27. Three best applicants were awarded with EUR 2,000 in RSD equivalent.

SOCIAL INCLUSION



Save the Children (Belgrade)

Partner organisation: Save the Children Fund

The Bank attended the British Embassy donor supper for the purpose of raising funds for daily activities of the Save the Children organisation.

Drop-in Centre for Street Children (Belgrade)

Partner organisation: Youth Integration Centre

By its quick response of supporting the Youth Integration Centre, Erste Bank helped the completion of the final works for the ceremony of opening the new facility named Drop-in Centre for Street Children. The Bank also helped the activity of cleaning and equipping the Drop-in Centre as part of the New Year campaign by the Business Leaders Forum, of which the Bank is a member.



Milan Petrović School (Novi Sad)

Partner organisation: Milan Petrović School

The Bank began cooperation with the Milan Petrović School for Elementary and Secondary Education of Children with Disability from Novi Sad, providing them support by purchasing their products.

New Year presents (Bački Petrovac)

Partner organisation: Red Cross Bački Petrovac

The traditional cooperation with the Red Cross from Bački Petrovac continued with a donation for New Year presents for children of the socially most vulnerable families from Bački Petrovac and its surroundings.

Seize This Day with Me Film Festival (Novi Sad)

Partner organisation: Disabled Student Association Novi Sad

For the first time, the Bank supported the Seize This Day with Me Film Festival, which included showing documentary films on the subject Life, Activities and Achievements of Persons with Disability, film workshops, forums, theatrical performances, exhibitions, art performances and similar in which persons with disability participate.

Food Bank (Belgrade)

Partner organisation: Food Bank

The Bank continued its support to the Food Bank association and this year it helped them to buy 60 New Year presents for children with disability.

Moonlight (Subotica)

Partner organisation: Club 21 Association for Positive Communication

With this donation, the Bank supported the Moonlight Project, which was last year's laureate of the Jefferson Institute Places in the Heart Award. The goal of the Moonlight Programme is to enable the young people, especially those who because of the poor financial situation in their families are not able to join youth sports clubs to spend at least one weekend evening in a cultural environment engaging in sports, in a company full of tolerance and understanding and with supervision of adult persons.

Distribution of New Year presents (Belgrade)

Partner organisation: Princess Katarina Foundation

Donation for the campaign of purchasing New Year presents for children without parental care.

My Little Table (Belgrade)

Partner organisation: Dragana Ognjenović

The Bank's donation as support to the charity campaign of its employees aimed at the purchase of pottery and ceramic kiln to the Sveti Sava School, Umka, included in the My Little Table Programme created by Dragana Ognjenović.



Christmas Bazaar (Belgrade)

Partner organisation: International Women's Club

The Bank donated funds for the traditional Christmas Bazaar, which is organised by the IWC in December each year.

Laza Lazarević Hospital (Belgrade)

Partner organisation: B92 Fund

The Bank's donation for the humanitarian aid campaign to the Laza Lazarević Neuropsychiatric Hospital, Belgrade.

EU INTEGRATION



Guide to the EU Stabilisation and Association Agreement (Belgrade)

Partner organisation: ISAC Fund

Erste Bank decided to provide support to the ISAC Fund in the publication of the Guide to the EU Stabilisation and Association Agreement.

Contest for the Best Media Report about the European Integration Process (Belgrade)

Partner organisation: European Integration Office of the Government of Serbia and European Commission Delegation to Serbia

Five prizes were awarded for the best newspaper stories on the EU subject.

European Youth Week (Novi Sad)

Partner organisation: Creative Education Centre

This year, for the first time, the Bank decided to support the European Youth Week.

ENVIROMENT



I'm Looking After Serbia, What about You? (Belgrade)

Partner organisation: Ecotopia Fund

As one of the sponsors, the Bank joined the project/campaign named I'm Looking After Serbia, What about You?

The bank is the people!
Erste Bank a. d. Novi Sad
Corporate Social Responsibility
Report 2008

Editor in Chief

Andrea Brbaklić

Editorial Board

Sonja Konakov

Vladimir Todorović

Mirjana Šakić

Ana Devetak

Milan Obradović

Nikola Jovanović

Zorana Aleksić

Snežana Vukašinović

Bojan Vračević

Dalibor Bogdanović

Ivana Gagić

Jelena Stojković

Partner

Balkan Fund for Local Initiatives, Belgrade

Contact

dop@erstebank.rs

Erste Bank a.d. Novi Sad

Sektor komunikacija

Milutina Milankovića 11b

Novi Beograd

Translation and editing

Radmila Vujović

Design

Andrej Dolinka

Tiraž 1500

Printing

Stojkov, Novi Sad



This report is printed on FSC certified paper
produced by controlled forest growth

Finally, we invite you to send your comments, proposals, suggestions and questions regarding Erste Bank corporate social responsibility in Serbia to:
dop@erstebank.rs

or to:

**Erste Bank a. d. Novi Sad
Communication Division
Milutina Milankovića 11b
11070 Novi Beograd**

