

The Bank IS THE PEOPLE!

Erste Bank a. d. Novi Sad
Corporate Social Responsibility Report 2011





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IS THE PEOPLE!

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Corporate Social Responsibility Report 2011



SLAVKO CARIĆ CEO, Erste Bank a. d. Novi Sad

Dear colleagues and friends,

You have before you the results of all our initiatives directed, in line with our strategic commitments, to the communities of which we are an integral part, to employees and to the creation of a stimulating working environment and, of course, to our customers and the market in which we operate.

This fourth annual Corporate Social Responsibility Report differs from the previous ones in that, for the first time, we have applied the internationally most recognized methodology for reporting on corporate social responsibility and sustainability — *Global Reporting Initiative* (GRI). GRI reporting guidelines allow a more systematic and precise presentation of corporate social responsibility results and are based on the principles that guarantee reliability and credibility of the information presented. We are proud of the fact that Erste Bank has developed its corporate social responsibility concept and its social responsibility practices to a level at which it can apply this advanced reporting methodology.

For us, reporting on corporate social responsibility is an integral part of a wider process to which we are committed in the long term — a continuous improvement of our corporate social responsibility strategy and socially responsible practices in line with the needs of target and interest groups and individuals, i.e. all our stakeholders, and the demands of the market and social environment.

For us, the preparation of the annual report is, in this sense, an opportunity to assess the level of achievement of the goals that we set for ourselves, to improve the methods of performance evaluation and measurement and define the plans for the coming period together with all our stakeholders. We do all this with the aim of integrating social responsibility into all aspects of our business operation and thus creating value added for all our employees, customers, the communities in which we operate and for our partners from business and non-profit sectors.

From the very start, our concept of corporate social responsibility has been characterised by our commitment to promoting socially responsible practices in the business community by our own example. We have been extremely dedicated to the principles of the United Nations Global Compact and to the development of this network in Serbia since its establishment in 2007. For us, the application of new reporting methodology is another step in that direction, considering that, as of 2010, the United Nations Global Compact and the Global Reporting Initiative have been strategic partners in the global promotion and improvement of the practices of reporting on corporate social responsibility.

At the global level, in 2011, the field of corporate social responsibility was also marked by the adoption of new European strategy for the development of this concept, in which the European Commission defined corporate social responsibility for the first time as “the responsibility of enterprises for their impacts on society”, thus pushing the voluntariness of this concept into the background and putting the focus on the initiatives associated with the business itself and with the business model. For Erste Bank, the provision of innovative services to customers has been at the very core of the corporate social responsibility concept for years and in 2011 we offered a number of products and services aimed at resolving current social problems, such as loans for young people starting their own business through the SupERSTEp programme, and the first soft loan for social enterprise as part of our wider programme of support to the development of social entrepreneurship in Serbia. We also continued our successful practice of investing in renewable energy sources.

At the end of 2011, all our efforts and achieved results were rounded off in the best way possible — Erste Bank was awarded the prestigious Virtus Corporate Philanthropy Award in not one, but two categories: for its contribution at the national level and for corporate volunteering. We are extremely proud that our efforts in the field of corporate social responsibility were recognised in that way by experts, the business community and general public. The award for corporate volunteering programme is especially important to me personally, because the credit for this goes to all our colleagues whose good will and sense of solidarity with the community make this programme so successful.

The achieved results motivate us but also oblige us to continue along the same path, fostering the established partnerships and expanding the circle of organisations and institutions with which we cooperate. I would like to thank all our partners, with which we are successfully implementing projects in different fields, for their commitment to the achievement of our common goals and our shareholders, management and employees for their full support they have been giving us from the very beginning in the development and improvement of socially responsible practices, enabling us to remain leaders in this field.

Cordially,
Slavko Carić, CEO



ANDREA BRBAKLIĆ

Communication Division Manager and Human Resources Division Manager

Dear friends,

Yet another successful year is behind us, the results of which we present to you with great pleasure in the fourth Corporate Social

Responsibility Report of Erste Bank. At a time when economic and social conditions throughout the world make the issue of corporate responsibility unavoidable in everyday business, we are proud to be able, after three years of implementation of our Corporate Social Responsibility Strategy, owing to which we have been clearly focused on priority areas and set goals during the previous years, to state that we have made progress in all key areas – care for our employees, improvement of the quality of living in the communities in which we operate and increased availability of financial services to all members of the society.

In 2011, we continued all the initiatives that proved successful in the previous period, simultaneously improving the existing practices and introducing new, innovative support models in line with the current situation in the society.

We continued to invest in the development of our employees, improving their skills and knowledge by planned training programmes but also providing them with an opportunity to improve themselves by getting acquainted with different working environments within Erste Group owing to programmes such as Mobility, which we have been implementing for years now. The previous year was also marked by the work on the development of internal communication with the aim of increasing the proactivity of our employees, leading to exceptional results. Of course, an absolute precondition for all our successes is also the fact that we provided our colleagues with a safe and healthy working environment in which their labour rights and standards are guaranteed, regardless of the hard global economic situation.

When it comes to our customers and the market in which we operate, we further increased the communication standards, enabling our customers to get as simply as possible the information they need for making informed decisions but also to give us feedback on the products and services they use. We are especially proud of our new products that we offered with the aim of increasing the availability of our financial services to vulnerable groups. We are also very pleased that the concept of social entrepreneurship in Serbia is successfully developing owing, inter alia, to the support of Erste Bank, which is working on the promotion of this concept, but also providing financial support for starting social enterprises.

We continued to support initiatives in the fields provided for by our Corporate Social Responsibility Strategy – education, social inclusion and environmental protection – in the communities in which we operate. Our major projects – Centrifuge and Club 27 — entered the fifth year of successful implementation and significant progress was made in the area of reducing the environmental impact of our business operation by implementing the ECOprofit project, owing to which we precisely identified the environmental impacts of the Bank and set targets for reducing the negative ones.

I would like to single out with special pride the activities of our volunteers – their numerous activities aimed at providing support to vulnerable groups, youth education and environmental protection were awarded at the end of the year with the prestigious Virtus Corporate Philanthropy Award, which we dedicate to all our colleagues.

Erste Bank also got this important award for its contribution at the national level, which strengthens our confidence that the goals we set are relevant and that the ways in which we achieve them are successful and efficient. We also made important progress by adopting new methodology for reporting on corporate social responsibility – *Global Reporting Initiative* – by which we also confirmed our commitment to the principles of the United Nations Global Compact.

I would like to thank all our partners and colleagues for their support and contribution to our common results and invite you to continue our successful cooperation on pursuing our shared goals next year as well.

Cordially,
Andrea Brbakić,
Communication Division Manager
and Human Resources Division Manager

Methodologic



We are proud to be able to present to you the fourth Corporate Social Responsibility Report of Erste Bank a.d. Novi Sad, confirming the commitment of our company to active contribution to the development of the society of which it is a part, in addition to focusing on financial results. The 2011 Report is designed for the first time according to the internationally recognised reporting methodology, the Global Reporting Initiative (GRI). Our goal is to continue to improve the measurement and monitoring of the results that our activities achieve in the community, contributing at the same time to raising the transparency in communication with interest groups and individuals (stakeholders) to a higher level.

In addition to being an integral part of our business philosophy, for us, social responsibility also represents a possibility for our practices to improve, as well as for our company to develop and mature as a long-term and stable partner to its customers. We have been regularly publishing annual corporate social responsibility reports since 2008. Our goal is to present all the activities and initiatives we implemented during one year, as well as to announce our upcoming plans and programmes to our numerous stakeholders in a clear and transparent way.

This year's Report presents a step forward in the sense that, since it is based on the standards and principles of the new methodology we apply, i.e. the third version of the GRI Reporting Guidelines (GRI G3), it is able to present in an even more precise and systematic manner the reporting process itself, as well as all the information provided in the Report. In order to provide all readers with clear insight into the level of using the GRI framework in the preparation of the Report, the GRI defined three application levels (levels C, B and A). In line with the criteria of the GRI methodology, this year Erste Bank declared that it meets Reporting Level C and thereby set the foundations for the fulfilment of our clear vision — achievement of the highest level in reporting on social responsibility by gradually expanding the application of this methodology.



al Approach

			C	C+	B	B+	A	A+
Required	Independent determination of the level			Report externally assured		Report externally assured		Report externally assured
Optional	Third party verified							
	GRI verified							



Reporting on Sustainability

The United Nations Global Compact (UNGC) and the Global Reporting Initiative (GRI), two largest international initiatives when it comes to social responsibility, concluded a strategic agreement by which companies at the global level are provided with a comprehensible, globally accepted and integrated framework for the implementation of the principles and reporting on sustainability.

This agreement confirms, inter alia, that the reports designed based on the GRI methodology are fully accepted Global Compact Progress Reports, considering the fact that the two initiatives have many common aspects. The UNGC-GRI alliance is based exactly on the natural synergy and numerous common participants, which represented the starting point for consolidation and harmonisation in this field. The longstanding commitment of the Bank to fostering the Global Compact principles is yet another reason for the decision to base this Report precisely on the GRI methodology. You can read more about the activities of Erste Bank in the Global Compact Serbia on pages 19-22.



Reporting Principles – the Guarantee of Quality

Materiality and Priority Topics

For a clear and open communication about social responsibility, the process of designing reports according to the GRI methodology is based on certain reporting standards and principles that guarantee the reliability and credibility of presented information, as well as the quality of the Report as a whole. Erste Bank brought its reporting on social responsibility into compliance with the methodological framework it applies, as follows:

Reporting principles according to the GRI methodology	Application of the principles in the preparation of the 2011 Corporate Social Responsibility Report of Erste Bank
<p>Materiality presents the threshold at which certain topic becomes sufficiently important that it should be reported on.</p>	<p>The process of determining priority topics in the 2011 Report included harmonising the needs and interests of all our stakeholders with the Bank's strategic priorities.</p>
<p>Inclusiveness of stakeholders means the processes by which the company attempts to identify key interest groups, define their reasonable expectations and interests and include them in its sustainability report.</p>	<p>The process of inclusion of and consultation with our stakeholders is the key factor for correct understanding of their needs and relevant questions, which we take into account in making strategic decisions and in the reporting process itself.</p>
<p>The sustainability context presents a wider context in which the company observes its impacts on the environment and presents its activities within a wider regional, national or international context.</p>	<p>Erste Bank sees itself as an inseparable part of its natural, social and market environment and so it designs and implements all its activities taking into account more general trends in the area of social responsibility.</p>
<p>Completeness means that the aspects defined as priority aspects are compared to the dimensions of the scope, limit and time of reporting.</p>	<p>During the preparation of the Report, we tried to include all relevant topics and questions defined by our stakeholders. All financial results related to our company's business are presented based on the non-consolidated financial report for 2011.</p>
<p>Balance requires presentation of positive as well as negative aspects and impacts of the company on sustainability, which provides an impartial picture of the company's performance.</p>	<p>The objective picture of the company's performance during 2011, when it comes to economic, environmental and social dimension, is based on the responses to 13 indicators of the GRI methodology, based on which all information of significance is presented regardless of its characteristics.</p>
<p>Comparability means the presentation of data in a consistent and continuous manner in order to enable comparison with respect to standards or other companies.</p>	<p>Reporting according to the globally recognised conceptual GRI framework enables stakeholders to have a clear insight into the level of development of our reporting process, into the progress we are making relative to the previous reporting periods and with respect to other companies from the same sector or other sectors.</p>
<p>Accuracy means the presentation of adequate qualitative and quantitative information, as well as constant improvement of data collection and analysis systems.</p>	<p>In addition to the descriptive method of presenting data in the Report, Erste Bank tries to support all its claims and the methodology used with adequate quantitative data, wherever possible.</p>

<p>Timeliness means consistency in the frequency of reporting and the length of the reporting period, ensuring regular availability of information.</p>	<p>The Bank has been regularly publishing its Corporate Social Responsibility Reports at the annual level since 2008, so that this schedule may be harmonised with the publication of the annual financial statement.</p>
<p>Clarity means the presentation of information in a structured, simple and clear manner, which ensures the accessibility of information.</p>	<p>The main aspiration that guided us in preparing the 2011 Report was its fast and easy accessibility and clarity to all stakeholders interested in its content.</p>
<p>Reliability means collecting, recording, compiling, analysing and publishing information in a manner that may be subject to verification and that supports the quality and materiality of the information.</p>	<p>Relying on the standards and requirements of the globally recognised GRI methodology, as well as on the global guidelines of Erste Group, Erste Bank a. d. Novi Sad guarantees the reliability and quality of the information presented in the Report.</p>



How to Read

At a time when the social responsibility of business sector is more than ever in the public focus, Erste Bank is continuing its practice of publishing social responsibility reports with the intention of presenting its contribution to this indispensable modern concept and its business approach, substantially oriented towards the creation of value added for all our stakeholders, as well as for the Bank itself.

The large number of pages that are in front of you indicate that last year was very intense and busy for Erste Bank when it comes to our engagement in the field of social responsibility. We launched and implemented many quality projects and initiatives, which we consider worth mentioning, and their diversity resulted from our strategic approach that assumes that social responsibility is implemented deeply in all business areas and at all levels within the company. This is a constant challenge for us and a concrete motivation for investing in the improvement of the reporting system, so that each following Report would be even clearer, more structured and more interesting to all readers.

One of the goals of careful design and publication of the Report relates precisely to the establishment, development and maintenance of partnership with everyone who is in different ways in contact with or under the influence of the Bank's activities. Bearing in mind the importance that stakeholders may have in different stages of planning, implementation and evaluation of our business and socially responsible activities and programmes, we invite all readers of this Report, our associates, colleagues, employees, fellow citizens, friends and partners to join us in the development and improvement of our practices and in building quality mutual relations.

Report Parameters

Erste Bank a. d. Novi Sad published its first Corporate Social Responsibility Report in 2009 for the previous year, 2008. Since then, the Report has been regularly published as an annual publication, independently of the Financial Report. Compared to the latest report published, the 2010 Corporate Social Responsibility Report (published in 2011), this year's edition of the Report is a result of a conceptual improvement bringing it into compliance with the GRI reporting methodology, according to which it meets Reporting Level C. For any questions regarding the current **2011 Corporate Social Responsibility Report of Erste Bank a. d. Novi Sad** please contact Sonja Konakov, Independent CSR Specialist, by e-mail: dop@erstebank.rs and sonja.konakov@erstebank.rs or by phone: +381 (0) 112015011.



If you are:

A representative of the business sector, you may find all relevant information on our business approach, corporate strategy and achieved financial results on pages 10-17 of this Report, in section Company Profile. If you operate in Serbia or in the region, you will find out more about our local initiatives in section Our Fellow Citizens in the Communities in Which We Operate (pages 47-57) and we would particularly like to draw your attention to pages 19-23 where you may read everything about the external initiatives and associations of which our Bank is a member.

A colleague from the banking sector, we assume that you will spend most of your time on page 36 and onwards, where, within section Market and Customers, you may read everything about our business practices in the market, our investments in the development of external communication and customer communication or our innovative solutions for the support and development of social entrepreneurship (SupERSTeP and Youth Business Serbia, pages 43-46).

An Erste Bank employee, the most relevant section to you will be Our People (pages 24-35), which includes all information about our investments in healthy, safe and motivating working environment, in the development of employees' potential, in increasing the standard in internal communication, etc. In addition, all those interested in the opportunities that Erste Bank offers as an employer (the Mobility programme, page 33) or those interested in the operation of the Erste Bank Trade Union (pages 34-35) may find all necessary information in the same section. Volunteer activities, successfully implemented owing to your solidarity, are proudly presented on page 32 (Our People) and on page 47 and onwards (Our Fellow Citizens in the Communities in Which We Operate) of this Report.



This Report

A customer of our Bank or considering becoming one, we recommend you to start reading from section Company Profile, where you may get informed about our business approach and business results. We believe that you will be interested in finding out more about our corporate values (pages 26–28) and especially about the quality of products and services in which we constantly invest (Market and Customers, page 36 and onwards). As for corporate customers, we suggest they look at the same sections, in which they may find a lot of useful information, especially if they are small and medium-sized enterprises to which we offered special benefits last year.

Our fellow citizen in the local community in which we operate, you will be interested in a large number of projects that we implemented with the aim of improving our common social and natural environment, described in section Our Fellow Citizens in the Communities in Which We Operate on page 47 and onwards.

A representative of the public sector, see how Erste Bank operated in 2011 (Company Profile, pages 12–13) and how it contributed to the promotion and development of economic activities and common social goals: by supporting the Government of the Republic of Serbia in raising the economic activity in our country (Market and Customers, page 36 and onwards), the successful work of the EU Office (page 42), or the support to the development of social entrepreneurship in Serbia (pages 43–44).

A business association representative, we suggest you start reading from pages 18–23 (Company Profile — Social Responsibility of Erste Bank), where, within section Participation in Joint Initiatives, you may find out more about our approach to partnerships with the representatives of all sectors, as well as about our efforts in the field of promotion and development of socially responsible practices. Read more about the Bank's business and its strategic approach to social responsibility in section Company Profile and you will find everything related to ethical behaviour in the market, fair business practices and fight against corruption in section Market and Customers (on page 36).

A media representative, we primarily refer you to pages 40–41 of the Report, where, within section Market and Customers, you may get information about our values and approach when it comes to external communication. We believe that you will find plenty of current topics and interesting articles in the Report, such as our activities in the field of culture, social inclusion (Our Fellow Citizens in the Communities in Which We Operate, page 53), youth employment (SupERSTeP and Youth Business Serbia, page 45) or hard-to-employ persons (the success story about social enterprise Dajdaj Pelene, page 44). Please note the awards that the Erste Bank EU Office awarded to your colleague journalists for the best media report in the field of EU integration in 2011.

A representative of non-governmental sector, you may find detailed information about our volunteering and other partner projects in the social and natural environment in section Our Fellow Citizens in the Communities in Which We Operate (page 47 and onwards). In addition to several initiatives relating to investment in youth education, cultural decentralisation and empowerment and inclusion of vulnerable and marginalised groups, read more on the same pages about our activities in the field of environmental protection — recycling and energy saving and our new project ECOprofit — and see page 38 (Market and Customers) for our investment in renewable energy sources. Do not forget to get information about the latest activities of Erste Foundation on page 58 of this Report.

1. COMPANY PROFILE

1.1. Erste Group

Erste Group was founded in 1819 as the first Austrian savings bank (Erste oesterreichische Spar-Casse). It started to implement its strategy of expansion to the region of Central and Eastern Europe in 1997. Since then, the Erste Group's customer base has increased, through many acquisitions and as the result of organic growth of the company, from 600,000 to around 17,000,000 customers in eight countries. Today, Erste Group is one of the largest financial service providers in Central and Eastern Europe in terms of the number of customers and total assets, primarily focused on retail business and support to small and medium-sized enterprises.

CSR Rating

Corporate social responsibility has been one of the basic principles of Erste Group since its establishment in 1819 and constitutes an integral part of its corporate philosophy today. The Erste Group's efforts and initiatives in this area were rewarded again in 2011, when the Group was included in the new sustainability index, the **STOXX Global ESG Leaders Index**, which consists of the highest ranked companies throughout the world when it comes to sustainability.

Additionally, the Erste Group has been included in the VONIX Sustainability Index of Vienna Stock Exchange since 2008. The Erste Group shares are also added to the ASPI Eurozone Index, which consists of 120 highest ranked companies in Eurozone selected by one of the major rating agencies, VIGEO.

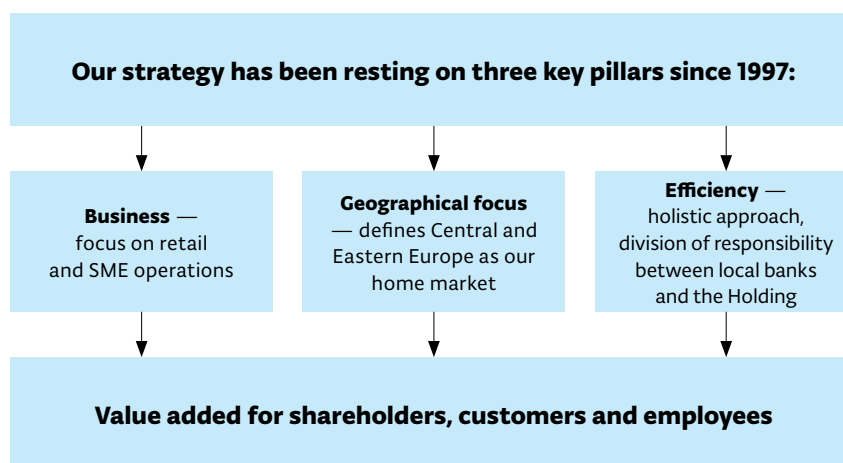
Key operating results in 2011:

- Balance sheet total: EUR 210,00 billion
- Operating profit: EUR 3.627,6 million
- Net profit: EUR -718,9 million
- Return on equity: 2,3%

Detailed financial report of Erste Group may be found at www.erstegroup.com



Ever since its establishment in 1819, Erste Group has been operating in line with its strategy that has been focused on the business sector. Not only that it has not abandoned its strategic priorities during the years and big changes that shook the financial sector but quite on the contrary, the past years contributed to its even more resolute adherence to its core activity – the provision of financial services in a sustainable way to individuals, companies and public sector in the eastern part of Europe and in Austria. What distinguishes Erste Group from other investment banks is precisely the fact that its business is based on the real economy.



The driving force of Erste Group has always been and still is its business model, which has been relying on the long-term and stable relationship with customers for almost 200 years now. The past year, 2011, further strengthened the confidence in the value of this model.

„By returning to profitability in the fourth quarter we have proven that our business model — being the bank for retail and corporate clients in the eastern part of the European Union — works even as economic conditions remain challenging. In the financial year 2011, net profit was up in almost all countries”, said Andreas Treichl, Chief Executive Officer of Erste Group Bank AG, when presenting the preliminary results for the 2011 financial year 2011.

EXTENSIVE PRESENCE IN CENTRAL AND EASTERN EUROPE



AUSTRIA
 number of employees: 16,189
 number of branches: 297
 number of customers: 1.1 million



number of branches: 753
 number of customers: 2.1 million



CZECH REPUBLIC
 number of employees: 10,661
 number of branches: 654
 number of customers: 5.2 million



SLOVAKIA
 number of employees: 4,157
 number of branches: 292
 number of customers: 2.4 million



UKRAINE
 number of employees: 1,685
 number of branches: 131
 number of customers: 0.2 million



HUNGARY
 number of employees: 2,948
 number of branches: 184
 number of customers: 0.9 million



ROMANIA
 number of employees: 9,245
 number of branches: 667
 number of customers: 3.7 million

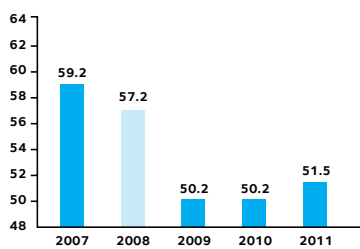


CROATIA
 number of employees: 2,599
 number of branches: 146
 number of customers: 1.0 million

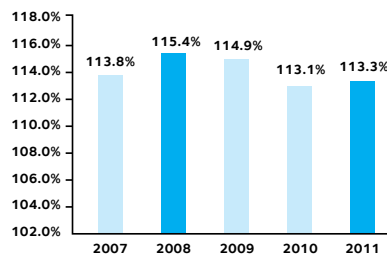


SERBIA
 number of employees: 988
 number of branches: 66
 number of customers: 0.3 million

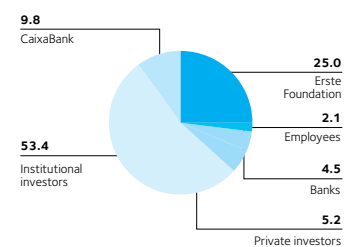
COST/INCOME RATIO (%)



LOAN/DEPOSIT RATIO (%)



SHAREHOLDER STRUCTURE AS OF 31/12/2011 BY INVESTOR (%)



1.2. Erste Bank a. d. Novi Sad

Over 190 Years of Banking Experience

Erste Bank's share in the banking market of the Republic of Serbia increased in terms of the amount of total assets, as well as in terms of loans granted and deposits received. Erste Bank's share in the total assets of the banking market of the Republic of Serbia is currently 2.48%, whereas it was 2.26% at the end of 2010.

In terms of operating performance, the Bank posted 26.3% higher operating income at the end of 2011 relative to the end of the previous year, while its operating expenses increased by 8.3%. Its financial result was RSD 789.0 million at the end of 2011, which is the best result since the start of Erste Bank's operation in Serbia.

The number of credit and debit cards also increased last year and is currently over 330 thousand, a 19.2% increase relative to the end of 2010.

An increase was also recorded in alternative distribution channels, so the number of e-banking and phone banking users increased by 48.5% by the end of the year and reached approximately 88 thousand users.

In 2011, Erste Bank continued to provide support to the citizens and businesses of Serbia in meeting their financial needs and goals, while not neglecting the social and natural environment in which our activities take place. Business principles that involve focusing on the continuous enhancement of our customer service, constant improvement of our internal organisation and efficiency, as well as a developed risk management policy were the basis of the Bank's operation in last year as well. The quality and sustainability of our operation are also based on the fact that we belong to a large international group whose strategic guidelines and positive experience we tried to adapt to the local market.

Erste Group started its operation in the Serbian market in 2005 by acquiring the majority stake of Novosadska Banka, the oldest financial institution in our country, established in 1864. With its headquarters in Novi Sad, the Erste Bank network in Serbia now consists of 66 retail branches and 10 corporate centres. Erste Bank currently employs nearly 1,000 people in 45 towns throughout Serbia. The number of customers relative to the end of last year increased by approximately 10% and now stands at around 280,000.

When it comes to Erste Bank's operating results in Serbia, it is worth mentioning that, even in an uncertain year such as 2011 for the banking sector as well as for the economy as a whole, retail and corporate lending increased along with recording the best operating result for the Bank since its establishment in Serbia.

In addition to the above mentioned lending, which is presented locally, Erste Bank, together with Erste Group, was also very active during 2011 in cross-border loans to Serbian businesses, financing some of the largest local companies alone or in cooperation with international financial institutions and other commercial banks.

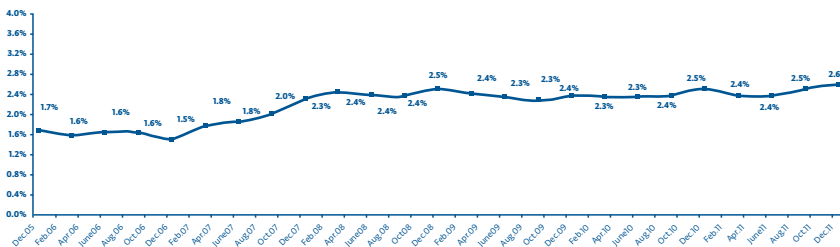




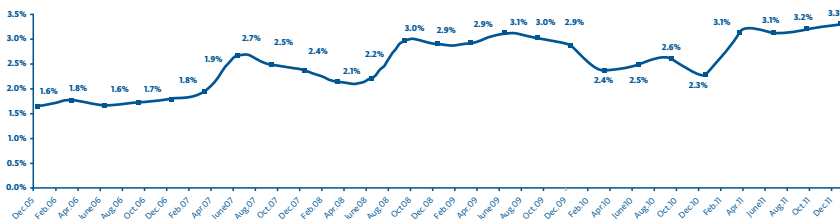
BALANCE SHEET TOTAL GROWTH BY YEAR



MARKET SHARE — LOANS



MARKET SHARE — DEPOSITS



KEY OPERATING RESULTS IN 2011 AS OF 31/12/2011

- **Balance sheet total** RSD 72.1 billion
- **Corporate loans** RSD 28.1 billion
- **Retail loans** RSD 19.7 billion
- **Entrepreneurs deposits** RSD 2.5 billion
- **Retail deposits** RSD 20.5 billion
- **Operating profit** RSD 1.881 billion
- **Net profit** RSD 789.0 billion

Detailed financial report of Erste Bank may be found at www.erstebank.rs

Governance Structure of Erste Bank

In addition to being based on compliance

with positive legislation, the corporate governance of Erste Bank also includes social responsibility aspects, which are reflected in this segment of the Bank's business and operation through the implementation of the principles of responsibility, ethical conduct and transparency, as well as consideration of the interests of all stakeholders. We strive to implement these principles at all levels of our Bank, as well as in all areas of our operation by good and effective governance.

Erste Bank is run by its shareholders, Erste Group Bank AG with a 74.00% share and Steiermaerkische Bank und Sparkassen AG with a 26.00% share, in accordance with regulations, the Memorandum of Association and Articles of Association of the Bank and in proportion to their respective shares in equity.

The top managing bodies of our Bank are the Board of Directors and the Executive Board, with the operation of the Board of Directors being regulated in such a way that the chairperson of this body may only have a non-executive position. Members of the Board of Directors and the Executive Board are elected for a four-year term of office, with an unlimited possibility of re-election and subject to prior approval by the National Bank of Serbia, and members of the Executive Board are elected by the Board of Directors. According to the Articles of Association of our Bank, no member of the Board of Directors may simultaneously be a member of the Executive Board. The next management level of the Bank comprises executive managers of divisions.

Members of the Bank's top managing bodies

The Board of Directors comprises six members:

Gernot Mittendorfer

Chairman of the Board of Directors

Reinhard Ortner

Member of the Board of Directors

Aleksandar Vlahović

Member of the Board of Directors

Ernst-Gideon Loudon

Member of the Board of Directors

Sava Dalbokov

Member of the Board of Directors

Peter Nemschak

Member of the Board of Directors

The Executive Board comprises

three members:

Slavko Carić

Chairman of the Executive Board of the Bank

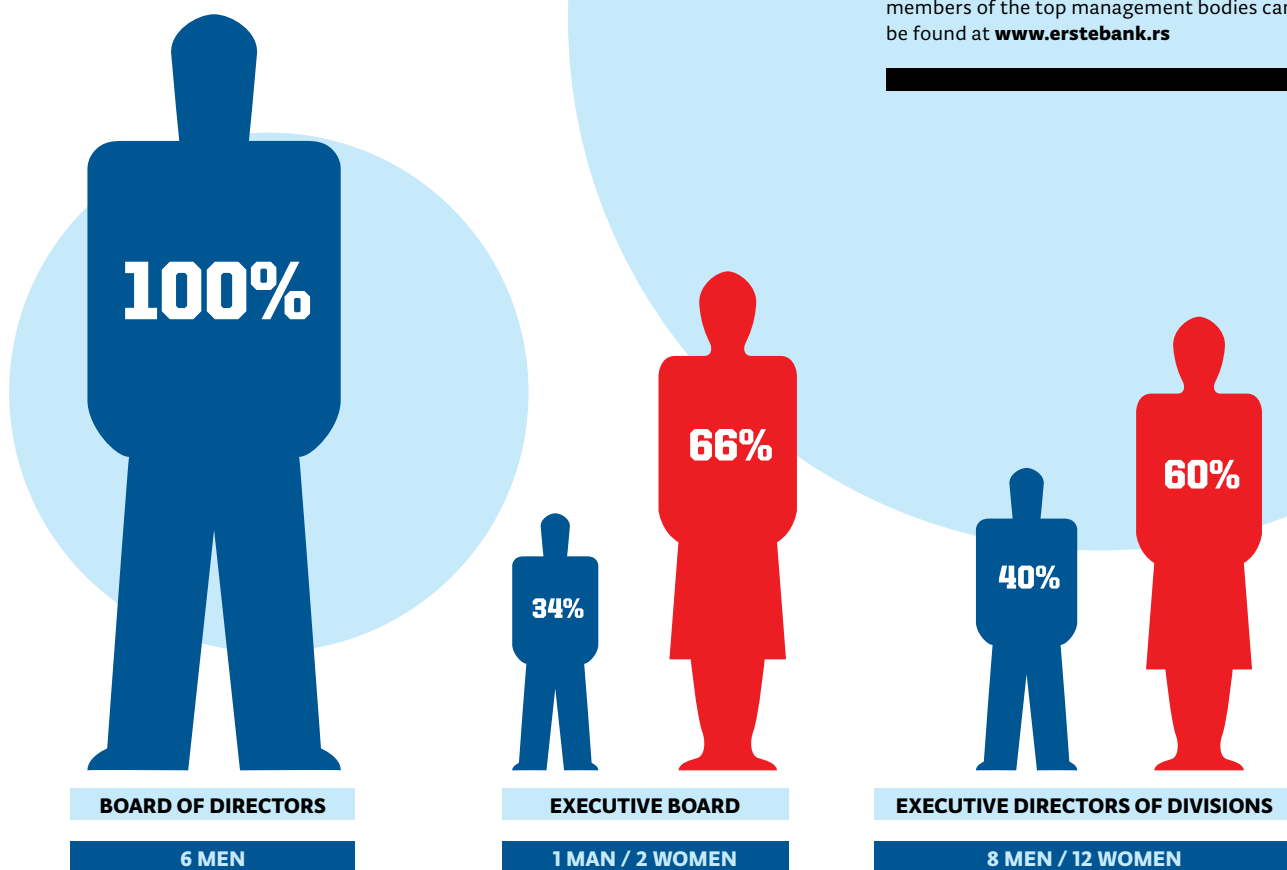
Jasna Terzić

Member of the Executive Board

Suzan Tanriyar

Member of the Executive Board

All information about our shareholders and members of the top management bodies can be found at www.erstebank.rs



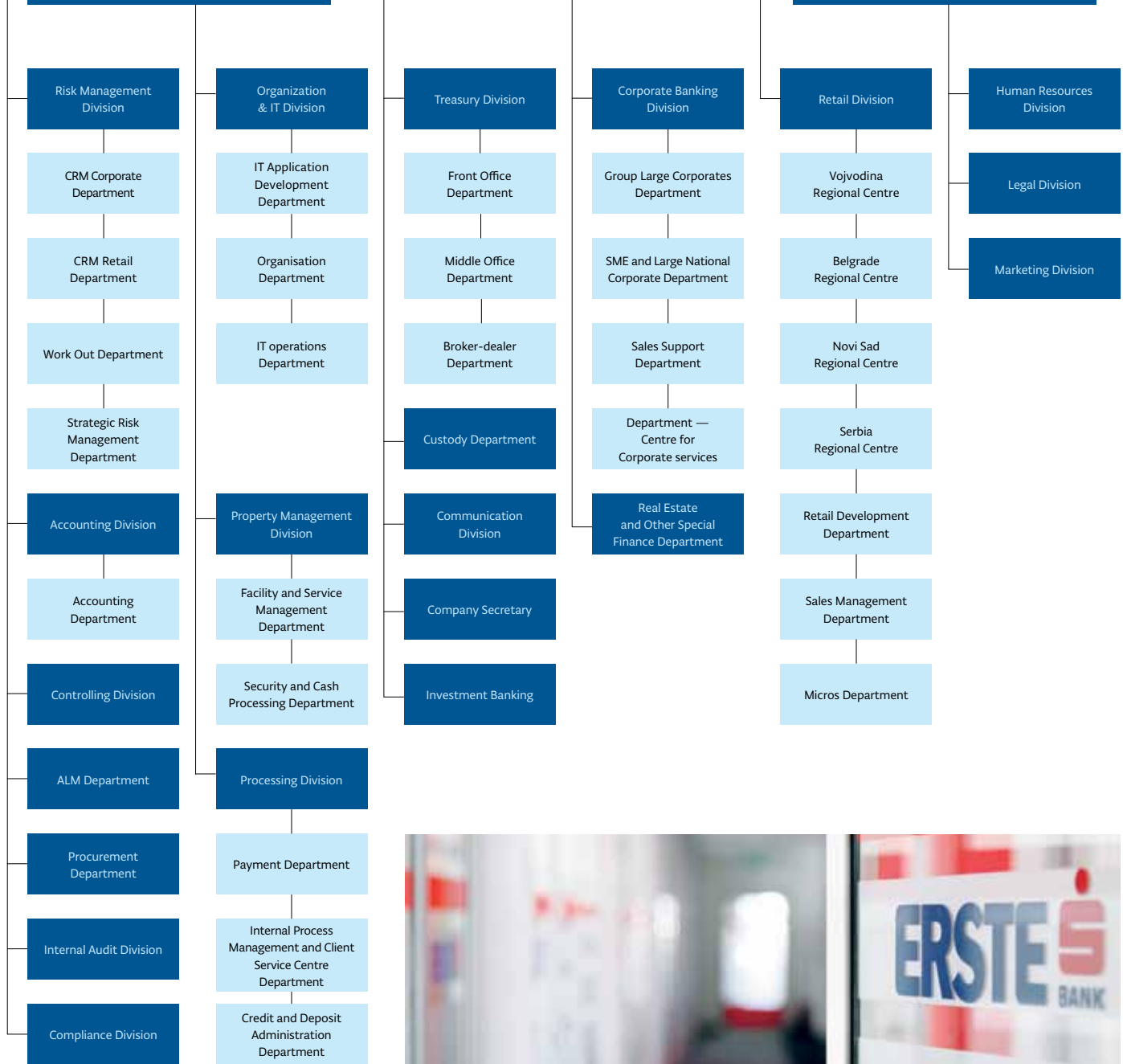
BOARD OF DIRECTORS

EXECUTIVE BOARD

Slavko Carić

Suzan Tanriyar

Jasna Terzić



Communication with the Representatives of Senior Management Levels

In addition to communicating in a transparent way all information relating to the operation of our boards and their members, one of our Bank's priorities is to enable accessibility of senior management levels to all employees, for which reason we initiated different mechanisms of communication with the senior management and Board members. Our employees have an opportunity to present their opinions and observations in direct communication with the members of the Executive Board or managers of divisions/departments, but also to present their ideas in the areas where they believe it is possible to improve the work process or mutual cooperation.

Channels of communication with Andreas Treichl, CEO of Erste Group Bank AG, are many: our CEO addresses all employees by means of **video messages** after the publication of the Bank's annual operating results (as an addition to the written news), and he never fails to address them just before Christmas, either. In addition, as a support to the projects covering all countries of the Group, a more recent practice is to make videos along with the news in order to stimulate the employees to join these projects, as was the case with the Employee Engagement Survey.

In addition to Mr Treichl, communication is achieved in the same way with other Board members as well. On the occasion of the presentation of our operating results of the first quarter of 2011, that year a Board member from Austria addressed us, and Gernot Mitendorfer, Chairman of the Board of Directors, also sent a message to Erste Bank Serbia.

Questions to the CEO may also be sent **through the Trade Union** of our Bank, because three times a year the President of the Trade Union attends the meetings of all trade unions in the Group, which are also attended by Mr Treichl. The presidents of Trade Unions invite all their members to send their questions and suggestions, and then send them to Vienna a few days before the meeting so that answers would be ready. In addition, an Internet Chat with Andreas Treichl is organised once a year, which is intended not only for internal audience, but also to shareholders and other interest groups and individuals.

Members of the Executive Board contact all employees **by e-mail** several times a year in order to comment on the operating results, current situation in the Bank or country or to announce new projects.

When it comes to direct communication, our standard practice of organising **Open Doors** has proved very successful – an invitation to our employees to contact members of the Executive Board and executive directors of the Bank is published once every two months via the InfoNet. The employees apply for individual meetings with a board member or executive director that they themselves choose and therefore have the opportunity to give their suggestions, proposals but also criticism, as well as to ask questions and ask for help.

Shortly before the meetings of managers of all levels of the Bank in Serbia, which are held twice a year, we open a survey on the Bank's portal for employees' questions that are subsequently presented to managers at conferences, and the answers received are published later on the Bank's portal (InfoNet).

One of the communication channels through which our employees are informed of organisational and personnel changes, as well as of annual or quarterly results is our Bank's **Bulletin**. In addition, e-mail address **otvoreno@erstebank.rs** is open for all kinds of questions, proposals, ideas and suggestions of employees.

Finally, it is worth pointing out that, owing to the engagement of our employees, the **Idea Market** still operates successfully in Erste Bank as a unique mechanism of idea exchange, inspiring rising interest among our employees year after year.





1.3. Corporate Social Responsibility of Erste Bank a. d. Novi Sad

Consistency in Responsibility



Why do we remain committed to the concept

of corporate social responsibility? Experience has shown that, amidst global integration, it is not possible to apply the usual ways of doing business: local crises very quickly become global and economic problems are closely linked to environmental and social ones. A consequence of this is that business, public and non-profit sectors can no longer operate separately from each other if they are to respond adequately to them. Corporate social responsibility is an approach that allows us to face more successfully the challenges set before us by such market, acting in partnership with other sectors. This is a concept that encourages us to be innovative, promote sustainable development, manage risk responsibly and reduce costs, achieving better operating results for our customers and company but also for the communities in which we operate.

In line with last year's goals, the results of the application of the Corporate Social Responsibility Strategy, which was adopted in 2009, were analysed during 2011, and based on this guidelines were defined for the preparation of new strategy for the 2012-2014 period. According to the existing strategy, the priorities of our company are three key areas of activity:

- Care for employees
- Market and customers
- Welfare of the community.

During 2011, Erste Bank committed over RSD 42 million to sponsorships and grants intended for support to projects in the fields of culture and art, education and popularisation of science, social inclusion, EU integration, environmental protection, support to local communities and for the employee volunteer project, as well as an additional RSD 2 million for the promotion of corporate social responsibility (publication of the Corporate Social Responsibility Report, support to conferences in this field and similar).

Achieved in 2011:

- [✓] We continued with reporting on corporate social responsibility
- [✓] The Corporate Social Responsibility Strategy was revised

Plans for 2012:

- [✓] Continuation of reporting on corporate social responsibility in accordance with the GRI standards
- [✓] Surveying the opinions and views of all key stakeholders of the Bank with the aim of preparing new Corporate Social Responsibility Strategy
- [✓] Preparation of new multiyear Corporate Social Responsibility Strategy



Relations with Stakeholders (interest groups and individuals)

During 2011, as part of the revision of its Corporate Social Responsibility Strategy, Erste Bank prepared new, updated map of stakeholders and conducted a survey of their expectations, interests and views. The survey included our partners, internal and external stakeholders who in different ways may find themselves affected by the Bank's activities. In this way, we defined priority topics and aspects, as well as our further direction when it comes to socially responsible activities. The expectations of our stakeholders and the questions they underlined during the survey process largely coincide with the measures implemented, and they will certainly be taken into consideration as a key starting point in preparing new plans. It is of key importance to our Bank to be able to recognise the needs of all those directly or indirectly involved in its operation and to respond in an adequate manner to the challenges set before us.

Participation in Joint Initiatives

One of the main characteristics of our approach to corporate social responsibility is continuous commitment and work on the promotion of the concept of corporate social responsibility, as well as on the improvement of the existing practices. In this sense, the initiatives that promote this concept in Serbia present for us an opportunity for the exchange of experience and fresh ideas with quality partners from all sectors.

United Nations Global Compact (UNGC)

The United Nations Global Compact is the largest voluntary association of businesses that are committed to aligning their operations with ten universally accepted principles of corporate social responsibility in the areas of human rights, labour, environment and anti-corruption. In addition to companies, members of the Global Compact may also be non-profit organisations, public institutions, business associations, academic and research institutions, media, trade unions and other corporates whose mission includes the improvement and promotion of corporate responsibility.

The Global Compact has more than 8,700 members from over 130 countries, and the local network in Serbia, existing since 2007, has 80 members. The membership in this network is not based on the application of regulatory mechanisms but on the acceptance of the principle of public accountability and transparency. The members have an obligation of regularly publishing their communication on progress in applying the ten Global Compact principles in their business: Erste Bank has been fulfilling its obligation since 2008 by publishing its annual Corporate Social Responsibility Report.



You may find more information on the Global Compact and the operation of this network in Serbia at: www.unglobalcompact.rs

The work of Global Compact Serbia is conducted in eight working groups:

1. Working Group on Social Inclusion
2. Anti-Corruption Working Group
3. Working Group on Corporate Social Responsibility in Banking and Finance
4. Working Group on Education and Development of Corporate Social Responsibility
5. Working Group on Environment
6. Working Group on the Media
7. Working Group for Support in Emergency Situations
8. Working Group on Labour Rights

Erste Bank representatives are active in five working groups: Working Group on Social Inclusion, through whose efforts the preparation of the Conference on the Principles of Women Empowerment was initiated in 2011; Working Group on Corporate Social Responsibility in Banking and Finance, which worked last year on organising trainings and lectures for students and teachers of secondary schools of economics that have bank clerk departments, and continued with free Personal Finance Management workshops for citizens; Working Group on Education and Development of Corporate Social Responsibility, Working Group on Environment, Working Group for Support in Emergency Situations, owing to which books were donated to the Kraljevo Library and food donation to the most affected regions in the south of Serbia during the extreme winter conditions.

The work of UNGC Serbia is directed by the Steering Committee elected from among the network members. Andrea Brbaklić, Erste Bank Communication Division and HR Division Manager, has been the Chair of the Global Compact Serbia Steering Committee since its establishment in 2007.



How Erste Bank Supports the Global Compact

10 PRINCIPLES OF THE GLOBAL COMPACT	IN BUSINESS	IN THE COMMUNITY
<p>Human rights</p> <p>Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights and</p> <p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>Policies of human rights, equal opportunities, safe and healthy working conditions.</p> <p>Regulation on Health and Safety at Work, Job Risk Assessment for all jobs in the Bank.</p> <p>Code of Ethics adopted in 2010..</p> <p>Systems and programmes for personal permanent professional development and training — Over 20,000 hours of training were organised for all employees in 2011.</p>	<p>Development of education and youth entrepreneurship: Club 27, Youth Achievement, strategic partnership with student organisation AIESEC.</p> <p>Women empowerment through the project Share Your Knowledge — Become a Mentor”.</p> <p>Support to many projects of social inclusion, inclusive education and respect of human rights of persons with disability.</p> <p>In 2011, Erste Bank volunteers organised for the second time an excursion for the Roma children from the Adice settlement, Novi Sad, with the aim of reducing the isolation of the children from this settlement.</p>
<p>Labour standards:</p> <p>Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</p> <p>Principle 4: the elimination of all forms of forced and compulsory labour;</p> <p>Principle 5: the effective abolition of child labour;</p> <p>Principle 6: the elimination of discrimination in respect of employment and occupation.</p>	<p>Application of the policy for the respect of human rights and freedom of association.</p> <p>Observing the Labour Law — the standards of Erste Bank are above the legal minimum, also when it comes to employee benefits.</p> <p>In 2011, the third Collective Bargaining Agreement was signed, which applies to all employees in Erste Bank.</p> <p>New bonus system was introduced for rewarding and motivating the employees.</p> <p>Of the total number of employees (988), 71.4% are women, while 28.6% are men.</p> <p>Of the total number of managers (163), 53.3% are women, while 46.7% are men.</p> <p>Strategic approach to the development of internal communication, the start of implementation of the activities envisaged by three-year Internal Communication Strategy and the 2011 Action Plan.</p>	<p>Support to work training of socially marginalised groups by cooperation with partners from the non-profit sector.</p> <p>In 2011, we created a special service for one socially vulnerable group through the project SuperSTeP for supporting young unemployed persons.</p> <p>Support to the employment of youth by participating in the Youth Business Serbia project.</p>

<p>Environment:</p> <p>Principle 7: Businesses should support a precautionary approach to environmental challenges;</p> <p>Principle 8: promote projects with greater environmental responsibility;</p> <p>Principle 9: use and development of environmentally friendly technologies.</p>	<p>Observance and application of the Law on Environmental Protection.</p> <p>We continued investing in renewable energy sources and recycling. In 2011 the following was recycled:</p> <ul style="list-style-type: none"> · 34.550 kg of office paper · 823 empty toner cartridges · 1.990 kg of electronic waste · over 200 m² PVC films used on billboards in the Bank's campaign was used to produce more than 150 eco-bags. <p>Printing publications and reports on the FSC-certified paper</p> <p>The most important initiative in the field of environmental protection during 2011 was involvement in the ECOprofit project, with the aim to reduce quantity of waste and pollution.</p>	<p>Support to projects in the field of environmental protection.</p> <p>Investment in renewable energy sources — the most important project in 2011 is the project of financing the Mirotin Energo plant for the production of electricity from biogas.</p> <p>Winner of the 2011 Green Leaf award for the most successful environmental projects</p> <p>Two major volunteer campaigns is organised: Pancevo Environmental park cleaning and improvement of Stražilovo Outing Site near Sremski Karlovci.</p>
<p>Anti-corruption:</p> <p>Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>Banking Code of Conduct.</p> <p>Erste Bank Employee Code of Ethics.</p> <p>Observance of the Guide to Managing Conflicts of Interest at the Erste Group Level.</p> <p>A special Bank Compliance Unit.</p> <p>A special AML programme — a set of internal acts for the prevention of money laundering and terrorism financing.</p> <p>Strict ethical rules related to receiving and giving gifts.</p> <p>Operating results are published on a quarterly basis and once a year the financial report approved by an accredited audit company.</p>	<p>Signing of the Declaration Against Corruption of the UN Global Compact Serbia.</p> <p>Adopting of the Competition Compliance Programme, based on the Competition Compliance Programme adopted at the Erste Group level.</p>

The Business Leaders Forum

This unique network, established in 2008, brings together leaders from the business sector with representatives of government institutions, non-profit organisations and other interest groups and individuals, initiating a constructive intersectoral dialogue and encouraging joint contribution to the sustainable development of the society. With the aim of solving specific social, economic and environmental problems, the Forum also launches specific programmes and projects in which it works, together with other social actors, on the achievement of sustainable and stable development of the community.

Erste Bank is one of the 14 founders of the Business Leaders Forum Serbia. In March 2011, it participated in the annual conference of this network, the CSR Forum, by presenting its projects in the field of corporate social responsibility. As part of the Forum, several important projects were launched that Erste Bank supported not only financially but also by the engagement of its employees in mentoring programmes and providing support to young people to whom the knowledge and skills of their more experienced colleagues were of invaluable importance.

Awards and Recognitions

We are extremely proud of the Virtus Corporate Philanthropy Award, which Erste Bank received in not one, but two categories for 2011: the main prize for contribution at the national level and the prize for volunteering. Our Bank was awarded for its strategic and proactive engagement in solving key social challenges with long-term perspective, as well as for its contribution to the society through its successful programmes **Centrifuge**, **Club 27** and **Art and Inclusion**. The Virtus Award is awarded by the Balkan Community Initiatives Fund in cooperation with USAID, Sustainable Communities Institute, VIA Foundation, Rockefeller Brothers Fund, Charles Stewart Mott Foundation, Executive Group, City of Belgrade and the National Assembly of the Republic of Serbia.

The year behind us was also marked by several other recognitions: the Green Leaf award awarded by Radio Belgrade, the Waiting for the Wind Environmental Magazine and the Nature Conservation Movement of Vojvodina for contribution to environmental protection and for environmental projects launched and implemented, as well as the recognition for the successfully implemented project ECOprofit, which was initiated in Serbia by the Novi Sad Environmental Protection Authority in cooperation with the Austrian Development Agency and the Denkstatt Consortium, Vienna.



Achieved in 2011:

- [✓] The UNGC Serbia Anti-corruption Declaration signed
- [✓] Participation at the CSR Forum conference
- [✓] Support to the UNGC-coordinated Personal Finance Management project
- [✓] Support to the programme of cooperation with secondary schools of economics through UNGC

Plans for 2012:

- [✓] Continue with the promotion of corporate social responsibility and power of joint forces by providing support to the initiatives that promote this concept and to their projects
- [✓] Sign the Principles of Women Empowerment
- [✓] Support to the programme of cooperation with secondary schools of economics through UNGC
- [✓] Support to the Personal Finance Management project



2. OUR PEOPLE

What also distinguishes Erste Bank as a desirable employer in the labour market

is the care we provide to our employees, in terms of their personal and professional development, health and safety at work, as well as the development of transparent and open communication with each individual in the company. All the values that Erste Bank promotes make up a unique philosophy based on which value added is created for the Bank as well as for all its employees. We believe that we share the same ethical values with our employees in doing business as well as in mutual relations, which leads to higher motivation for work and higher productivity, which distinguishes our Bank from others.

Data as of 31/12/2011

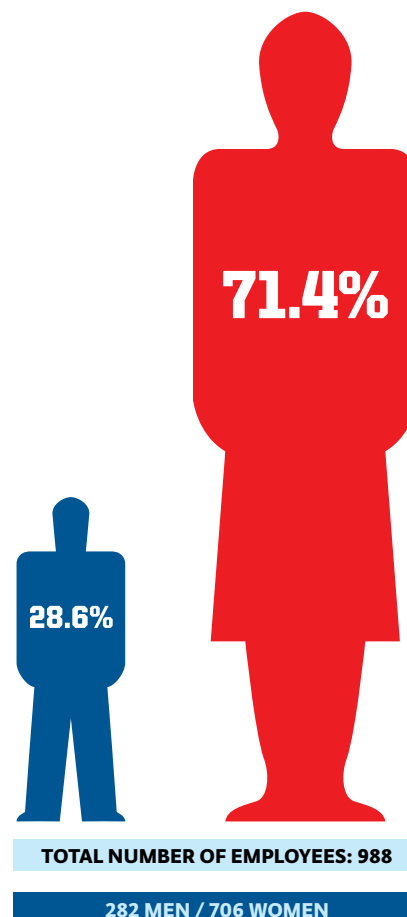
Employee structure by location and gender

Total number of employees	2011	
	male	female
Belgrade	101	162
Novi Sad	115	336
Other	66	208
Total	282	706
Total number of employees	988	

Employee structure by category and gender

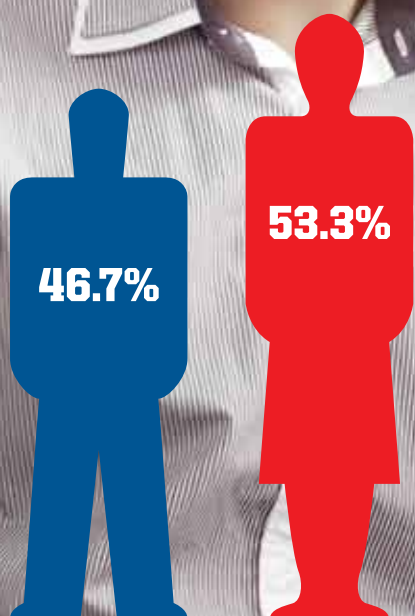
2011	Managers		Non-managers	
	male	female	male	female
	76	87	206	619

Total number of permanent employees	950
Total number of temporary employees	38



Employee age structure

Employee age structure	
To 20 years	/
20–30 years	162
30–40 years	408
40–50 years	157
50–60 years	250
Over 60 years	11



MANAGERIAL POSITIONS: 163

76 MALE / 87 FEMALE

2.1. Corporate Culture and Values



Our opinion on this subject has not changed since 2009 when the corporate values of Erste Bank were defined: we want our values to be evident in everyday conduct of our employees, to contribute to the creation of a pleasant working environment and help in achieving our business goals. So far, numerous activities have been implemented with the aim of promoting the desired corporate culture, as well as our colleagues who are real ambassadors of particular values.

During 2011, two selections were organised for the best representatives of our values — Support and Innovativeness, who that way joined their colleagues who acquired this status during 2010 as the best examples for the Responsibility and Creation values. The selection of representatives of the Trust value will be organised in 2012.

The selection is organised in such a way that the employees may nominate the colleagues they deem worthy of the Ambassador of Value title for their work and conduct, and then vote for one of the finalists nominated. On average, around 35% of the Bank employees take part in the selection.

Our values:

- Support
- Creation
- Responsibility
- Trust
- Innovativeness

Ambassadors selected in 2011

Support:

Ilija Valan
Dušanka Jelić
Maja Marjanović

Innovativeness:

Vladimir Serdar
Dejan Kešelj
Srđan Cicmil

A Mirror of Our Bank



Ilija Valan

Organisation & IT Division
With the Bank since 8/8/1985

With 26 years of experience, **Ilija Valan** invites his colleagues with the same enthusiasm to do their best at work, which will surely have a positive impact on them personally and on the entire team in which they work. He emphasises that, with the Ambassador of Value title, he does not wish to promote himself as an individual but a very well organised and high quality team that works in the Organisation & IT Division.



Dušanka Jelić

Retail Division
With the Bank since 24/12/1985

Dušanka Jelić emphasises that the fact that she was selected as an Ambassador of Value reinforces her belief that what she does is for the benefit of her colleagues as well as of her Bank. In addition to her family, she is supported by her closest associates, but also by all other colleagues with whom she communicates during the working hours. The feeling of community in the working environment and being aware that she always has someone to rely on present a driving motive for Dušanka to improve constantly her attitude towards others.



Maja Marjanović

Retail Division
With the Bank since 21/11/2005

“Considering that what we do is a team sport, to me, support is one of the things without which none of us can do their job. I feel that I get support whenever the person I am talking to listens to the problem about which I speak with an open mind. Then I am sure that we have good chances of reaching a solution together. Considering that for the last five years I have had my colleagues in my working environment who support both me and the sales network, I do not even notice such kind of behaviour any more – it is taken for granted”.



Vladimir Serdar

Controlling Division
With the Bank since 1/2/2008

“The nomination means a lot to me, because it is a confirmation that I work in a team where effort and work are noticed and appreciated. Every day I meet innovative people who do not accept static environment but try to initiate changes by their actions. The spark of innovation that each one of us has within them bursts into flame by observation (notice the things that no one else has noticed), imagination (combine the things not previously connected by anyone else), persistence (try and try again and again) and a healthy dose of humour sprinkled with unrealistic optimism.”



Dejan Kešelj

Corporate Banking Division
With the Bank since 1/5/2009

“Nowadays, when technological development is progressing at amazing pace, when machines are taking over from the man day after day, it is necessary to work on oneself and on the qualities that each individual definitely has within themselves. In the time before us, one of few comparative advantages of man over machine will be innovativeness – the ability to find unforeseeable solutions.”



Srđan Cicmil

Organisation & IT Division
With the Bank since 1/4/2006

“I was pleasantly surprised by the voting results. I thought it was a joke, but good things usually start like that, with a smile. I try to support my colleagues as much as I can, and I think they trust me. I also invite all other colleagues to do the same, because that way we shall all together contribute to improving the existing environment and increasing our satisfaction with it.”

2.2. Training and Development

Our exceptional success in 2011 was certainly contributed to by our care for employees in the form of investment in their development. In the previous year, a large number of our employees at all levels had an opportunity to participate in different forms of development activities arising from Personal Development Plans, which, in addition to having a positive impact on business results, also contributed to their professional development.

In cooperation with the Training & Development Department within the HR Division, around 2,100 days of internal training and around 550 days of external training in total were held in 2011 and our employees spent over 20,000 hours in total in training. As many as 93% of the total number of employees in our company got a formal assessment of their performance and individual development during 2011.

Total hours of training by employee category	2011	
	Managers	Non-managers
	5,549.28	16,052.72

Average hours of training per year	2011	
	Male	Female
	20.95	22.23

Among the internal trainings, we would like to draw your attention to the set of trainings within the **Fitness** Project. The implementation of the project, in which tellers, advisors and branch managers actively participated, provided considerable support to the promotion of knowledge and skills of employees in the Retail Division.



Jelena Zulević



Ljubica Markić

Fitness Project is a single name for two integrated projects: Customer Care Concept (CCC) and Sales Force Effectiveness (SFE). The name "Fitness" was derived from the main idea and goal that we want to achieve by implementing this project and that is:

SALES FORCE IN TOP SHAPE

- F — Focus on customers and sales
- I — Initiative
- T — Teamwork
- N — Progress (*napredak in Serbian*)
- E — Efficiency
- S — Satisfaction both of customers and of employees

The Customer Care Concept (CCC) is a comprehensive approach to more efficient provision of services to customers, which helps the Bank build long-term business relations with customers that is based on trust and to promote and support simultaneously the sales of its banking products.

When it comes to the Sales Force Effectiveness (SFE) project, its main goal is increasing the quantity of sold products, while putting customers in the focus of the sales process and implementing a proactive approach to sales.

By combining these two approaches, we attempted to create a concept that would enable us to always be the top pick of our customers and to be proudly recommended by them as their advisor and their Bank.

"Fitness – invaluable!

A system of work that made it possible for the credit advisor's work, effort and commitment to be noted and monitored somewhere and that joined the people in the branch into a team."

Jelena Zulević

Retail Advisor
Sarajevska Branch
Retail Division

"The training project had a positive impact on the proactive approach to sales and customers as well as to the ability to recognise customer needs for specific products. We learned how to standardise the approach to sales that enables us to achieve the branch results in an easier, more efficient and better way."

Ljubica Markić

Manager
Banovci Dunav Branch
Retail Division

In 2011, many new applications and programmes were introduced that are necessary for the work of a large number of employees and, in accordance with this, internal trainings were organised, the most important of which being the trainings in the use of the **CREDA and NETIBIS** programmes.

In the field of development of managerial skills, the **Management and Development** training was designed, which sets the foundations for efficient management and importance of the role and responsibility of managers. In addition, the Bank prepared and started to implement a structured model for the development of managers that includes a set of uniform and mandatory trainings for all managers at a certain level and proposals for individual development activities.

In addition to these trainings, a number of other internal programmes were implemented: **Erste School of Banking and Finance programmes (Project Management, Advanced GLC)**, technical trainings (**Microsoft Excel, Risk Trainings**), project-related trainings (**PERSIDA, RICOS**), as well as a programme intended for young talents (**Group Graduate Trainee Programme**).

In addition to internal trainings, our employees had an opportunity to participate in many trainings held by external lecturers in the country and abroad: **Impact of Individual on the Quality of Operations, English Language Learning Programme**, trainings for managers (**Inspiring the Commitment of Employees and Building Team Relations and Conflict Management**), and the **Coaching training**, which is a part of the already mentioned initiative for the introduction of new concept of management and employee development.

Our employees also had an opportunity to participate in many **seminars and conferences** held in the country and abroad, as well as to visit other Erste Group member countries and adopt **good practices by on-the-job training** and implement them in their working environment.

Internal Communications

Internal communications in Erste Bank are focused on the development of corporate culture in the direction of open, transparent, two-way and timely communication with employees through the use of available communication tools and introduction of new ones. Aware of the fact that efficient internal communication has an important role in increasing the motivation of employees, we pay constant attention to improvements in this area that is very important to us.

During 2011, we were guided by five strategic goals defined in the three-year Internal Communication Strategy, which was drafted in early 2010 after a comprehensive survey of employee views.

Employee Benefits

We have always tried to provide our people with something better than usual standards through a quality bonus system and additional benefits. Owing to the continuous development of these systems and investment in the best possible status of our employees, we believe that they recognise us as a stable institution, which is dedicated to the care for their satisfaction at work and on which they can rely in every respect. Since 2011, a new bonus system has applied to all employees in our Bank, which was introduced to improve the employee reward and incentive system.

The number of annual vacation days the Erste Bank employees have is above the legal minimum, as is the right to paid leave. Meal allowance and vacation allowance paid are above the country average. Other earnings are also received in an amount above the legal minimum, including sick leave and retirement pay, and the Bank has a long tradition of giving anniversary awards. The employees enjoy 24-hour insurance against the consequences of accidents at work and outside work, and special programmes such as psychosocial support are also available to employees in case of emergency at work.

SAFETY AND HEALTH CARE OF EMPLOYEES

In addition to creating a stimulating environment for work and investing in employee training and development, our priority is also to provide a safe and healthy working environment for our employees. We continuously improve the safety at workplace, bearing in mind four important aspects:

Technical security — meaning technical protection of our premises in the form of anti-burglary equipment, video surveillance, automatic fire reporting, access control and alarm monitoring.

Physical security — Our premises are protected by physical and mobile security, foot and motorised patrols, with registering at check-points.

Fire protection — The premises of Bank are equipped with complete fire-extinguishing equipment and automatic fire reporting system. All our employees attended fire prevention training.

Health and safety at work — We provided the highest standards of working conditions for our employees. All Bank employees enjoy 24-hour insurance against consequences of accident at work and outside work, and special programmes such as psychosocial support are also available to employees in case of emergency at work. The employees attended training in health and safety at work, and each branch has at least one employee trained in first aid provision. Training in emergency response is obligatory to all employees.

All safety procedures are regulated in detail by our Regulation.

STRATEGIC GOALS OF INTERNAL COMMUNICATION:

1. Improvement of vertical communication within all existing structures of the Bank.
2. Raising awareness of the importance of personal responsibility and contribution to the improvement of internal communication.
3. Reinforcing the sense of belonging to Erste Bank.
4. Improvement of intersectoral communication.
5. Introducing new communication channels and raising the credibility of and improving the existing communication channels.

THE GET INVOLVED CAMPAIGN

The Get Involved internal campaign aimed at all employees is the first step towards improving internal communication and the start of implementation of the activities envisaged by three-year Internal Communication Strategy and the 2011 Action Plan.

The campaign was initiated with the aim of raising the level of employee awareness of the need for every individual to invest additional efforts and assume a part of responsibility in order to raise the communication within the Bank to a higher level. It is the above mentioned goal that explains the meaning of the selected name of the campaign.

The campaign results indicate that the employees understood the invitation to the Get Involved campaign as an invitation to get more engaged and propose their ideas on the Idea Market, so 2011 was marked by 31 new ideas. In addition to the proposals on the Idea Market, a more frequent use of address otvoreno@erstebank.rs, as well as scheduling of meetings at otvorena.vrata@erstebank.rs were registered as well

During 2011, in order to raise awareness of the importance of personal responsibility and contribution to the development of communication system, the **Get Involved** campaign was implemented, which transmits the message that the involvement of employees is extremely important, invites them to ask questions and give proposals, while at the same time points out the importance of feedback to managers. A significant increase in the number of proposals on the Idea Market, a communication channel serving for collecting employee ideas and initiatives, may be emphasised as one of the campaign results.

The Idea Market was designed with the aim of providing the opportunity to all Bank employees to share their proposals and ideas that could lead to an increase in efficiency or a decrease in operating costs. On the other hand, the employees also participate in the operation of the Market by sending information about specific problems that they face in their work. The employees send their proposals to berza.ideja@erstebank.rs and their colleagues from the Communication Division forward them to the persons competent to answer a particular question or to assess if it is feasible to implement within the Bank a particular idea proposed.

The information received from employees is an important input for planning and organising many activities such as, for example, corporate volunteer programme, preparation of contents for internal bulletin and promotion of our values. Our colleagues also gladly participate in many activities and humanitarian campaigns in the field of corporate social responsibility.



What Do Our Employees Say?

"The posters on the walls are very effective — you have the feeling that there is always someone from the Bank there — you simply expect the question, "Excuse me, how can I help you?"

Vlasta Putnik

"All campaigns of this type are welcome. I have an impression that I, as an individual, matter and that so do my opinions and ideas."

Jovana Zeljić



PART OF A GROWING GROUP

In order to develop further their sense of belonging to Erste Group, the employees in all Group members have access to the joint intranet portal, which provides the employees with the information on business results, strategic directions of development, messages of the management, developments in the Group member countries, employment opportunities as well as various reports and interesting news.

2011 — YEAR OF VOLUNTEERS

Our company continued to promote, by its own example, the concept of corporate volunteering during 2011, proclaimed to be the International Year of Volunteers by the European Commission. During 2011, over 120 Erste volunteers participated in several group volunteer campaigns. Experience has shown that our employees are always willing to get involved in solving social problems and contribute with their engagement to a better environment, but also that the majority of volunteers recognise the benefit of volunteering in terms of raising the team spirit and acquiring new interpersonal skills. To us, volunteerism means motivated employees, increased productivity and efficiency and, finally, the identity of our company.

During 2011, Erste Bank employees participated in two major volunteer campaigns in Pancevo and Strazilovo, in which around 120 employees were involved; in addition, 20 employees volunteered to hold various lectures, trainings and consultations with many partners from the non-profit sector. In addition to the three focus areas of our volunteer programme – environmental protection, social inclusion and education – our employees also frequently get involved in extraordinary volunteer activities demonstrating their solidarity.

Read more about the campaigns of Erste volunteers in 2011 in section Our Fellow Citizens in the Communities in Which We Operate on page 47 and onwards.

Mobility

One of the greatest advantages we provide to our employees, owing to the fact that we belong to a large and stable group, is the possibility of career development in the international labour market in those countries in which Erste Group operates. This is an opportunity for every individual to test themselves in a different working and socio-economic environment, to gain new experience and contacts, substantially develop their skills and generally make a big step in their personal and professional development.

Our internal labour market operates through an electronic platform open to all our employees who are looking for new challenges and career development within Erste Group. It was established with the aim of promoting and facilitating mobility within the Group and is an area for advancement and improvement.

Among many colleagues who came in this way to Erste Bank Serbia in previous years is our colleague Domagoj Karadjole, who has been Executive Manager of Retail Division since he came to Belgrade in 2010. Domagoj shared with us his experience relating to the Mobility programme:

What are, in your opinion, the most important advantages that the possibility of participation in the Mobility programme provides to employees in Erste Group?

Mobility provides the employees with the possibility of gaining new experience, new contacts and career development. Erste Group is large and offers a lot of opportunities in various countries. The work on the Mobility programme started already several years ago, because it was determined that this was what was missing for stronger growth and development of the Group, especially in the countries in which acquisitions were carried out.

With what expectations did you join the programme and have they been met?

I think that the work in a new environment, in another country, enriches individuals, builds them up as persons and professionals and, from this aspect, my expectations have been completely met.

What impressions relating to your work in Belgrade would you single out from the professional and from the personal point of view?

I would not like just to single out my impressions about Belgrade, but rather emphasise a positive atmosphere in the entire Bank and the willingness to change and improve the operation, which we have already accomplished to a great extent. From the personal point of view, I would like to single out the accessibility of people and a large number of friends that I made, which I consider very important.

How do you overcome the challenges that the change of environment brings?

One must be prepared for various challenges and think how to best cope with them. They are even more demanding in a new environment until you get used to the environment and the people, and after that, the challenges are the same everywhere.

What would you say to your colleagues who consider joining the Mobility programme?

I would encourage everyone to consider it, because Mobility offers excellent opportunities and invaluable experience.



Domagoj Karadjole

Executive Manager
Retail Division, Erste Bank a. d. Novi Sad

Domagoj graduated from the Zagreb School of Economics and started his career in the Risk Management Division, Erste Bank Croatia. He soon became Corporate Credit Risk Manager, then an internal trainer and after that, from 2005 to 2010, he was Micro Department Manager. He also worked on important projects in the Group, so he was Project Manager for the introduction of micro operations in BCR in Romania. He is a member of the Erste Group Retail Business Strategy and Steering body. Since October 2010, Domagoj has been Executive Manager of Retail Division in Erste Bank Serbia.

Independent Trade Union Organisation Erste Bank a.d. Novi Sad (Erste Bank SOSS)



The work of any trade union is assessed as successful if a collective agreement is signed as a result of collective bargaining and to the satisfaction of all parties. In 2011, the Erste Bank SOSS, as the only representative trade union in the Bank, negotiated with its employer and, on 28 February, signed the third Collective Bargaining Agreement, which applies to all Bank employees and whose implementation is regularly monitored in practice by the Erste Bank SOSS, constantly discussing all other issues that may arise as a problem in connection with any employee as an individual.

The Erste Bank SOSS is open in every respect to continuous changes with the aim of the highest possible efficiency of operation. The most important strength of our Trade Union are its people, its active members. Only they can achieve our common goals through their engagement, interest, suggestions and, of course, comments. Therefore, in addition to regular activities, a lot is invested in the improvement of practices and training programmes.

Training at numerous seminars, cooperation and exchange of information with trade unions from other financial organisations from Serbia and trade unions from other European countries are some of the ways of helping the members to be ready to face new challenges and to improve constantly the trade union, making it even better and more modern in line with the standards established in the European Union countries. The most important seminars in 2011, which were supported by the Friedrich Ebert Foundation and the Dutch Trade Union, provided training in the field of collective bargaining and prevention of mobbing and were attended by ten SOSS members. One of the lecturers on collective bargaining was our representative, Stanica Šarčanski, Trade Union President.

In addition, by being admitted to regular membership, SOSS got the opportunity to cooperate with the Erste Group Trade Union ("Erste Bank European Works Council"), which enabled it to learn about the plans and programmes of importance for all Erste Group members and actively participate in the work of this Council.

The successful work of the Erste Bank Trade Union in the previous period was confirmed by the May Day Award presented to it by the Novi Sad Trade Union.

The Most Important Projects and Activities of the Trade Union in 2011

Through the **Solidarity Fund**, established in cooperation with the Employer, SOSS provided material and financial assistance to employees: for medical treatment (44 employees, in the amount of RSD 634.8 thousand), for the payment of funeral expenses for a family member who did not live in the same household with the employee (20 persons, in the amount of RSD 345 thousand), for scholarships to children of our employees (263 scholarships were approved in the amount of RSD 1.5 million) and also 23 loans were given (in the amount of RSD 541.8 thousand) for the enrolment of children of our employees in schools and faculties.

SOSS participated in financing the renting of facilities for recreation of its members in Novi Sad, Belgrade, Backa Palanka and Stara Pazova; interested members are also offered, under favourable terms, tickets for cultural events and institutions (libraries, cinemas, theatres, concerts, etc)

In its capacity as a legal person, SOSS concluded over 100 agreements with other legal persons, providing its members with a possibility to **purchase goods and services under favourable conditions**.

Fifty members of the Trade Union represented the Bank in the best way at workers' sports event **Bofosijada 2011** at which they ranked first in all team sports — football, basketball, handball and volleyball — and five members were elected to the team of our financial industry to compete in National Games.

The year 2011 was also marked by the creation of **Youth Section**, which currently comprises 145 members. The Section was established with the aim of protecting the economic, social and professional interests of youth as well as exercising the rights and improving the social status of youth.

The activity to which the Trade Union pays special attention is the involvement in the **distribution of New Year presents** to children of our employees, 400 of them in 2011, with their number increasing year after year, much to the delight of us all.

The gathering of employees, which is organised by the Trade Union twice a year, is one of the most popular events in our Bank. Employees from all organisational units and all places in Serbia in which the Bank operates socialise and have a good time, strengthening the team spirit in a friendly and informal atmosphere.



Achieved in 2011:

- [✓] We started the structured work on organisational culture — after obtaining the results of the conducted survey of employee involvement in 2011, analysis of individual reports was carried out and action plans were created at the level of individual sectors.
- [✓] We continued with employee training and development by expanding the application of the employee personal development programme: over 20,000 hours of training were organised in 2011.
- [✓] We continued the work on developing organisational culture by selecting ambassadors for the remaining values of the Bank — six new ambassadors were selected.
- [✓] The results achieved in 2011 were rewarded by the application of a new bonus system to all Bank employees for the purpose of improving the employee reward and incentive system.
- [✓] We implemented the Get Involved internal campaign with the aim of raising employee awareness of the importance of individual responsibility in the improvement of internal communication.

Plans for 2012:

- [✓] Continue the work on developing organisational culture by selecting ambassadors for the remaining values of the Bank.
- [✓] Implement the action plans made based on the results of the survey of employee involvement and further revise them by checking what was achieved and enriching them with additional activities that will improve the level of employee involvement.
- [✓] Implement the Show What You Know internal campaign with the aim of promoting corporate values
- [✓] Improve the Idea Market
- [✓] Introduce new internal portal with the aim of improving vertical and horizontal communication in the Bank
- [✓] Actively promote volunteerism
- [✓] Revision of the new bonus system in accordance with the experience gained and its further improvement to increase the motivation of the employees and to reward them more adequately
- [✓] We shall continue to invest in our employees in the future as well, through specialised training
- [✓] Improvement of advertising vacancies and recruitment in the sense of proactive action of the Bank on social networks: Facebook, Twitter and LinkedIn

3. MARKET AND CUSTOMERS

The relations that we build with our customers and partners are of key importance for long-term business success and the achievement of high-quality of our products and services. An important element of Erste Bank's social responsibility is the respect of moral standards and fair business practices in the market, which includes the company's ethical treatment of its competitors, customers and all those with which we come into contact. We also ensured our success by continuous investment in the improvement of the quality of our products and services, with the aim of always fully meeting the needs of our customers and offering them a wide range of modern products along with top-quality service.



Anti-corruption

Corruption, as one of the most damaging phenomena in society, as well as in business, is confronted by Erste Bank through clearly defined procedures and measures aimed at preventing, combating and sanctioning this type of behaviour. In connection with combating corruptive activities, the Bank adopted a series of policies and procedures from Erste Group (Guide to Managing Conflicts of Interests and Anti-Money Laundering Rules, based on which the AML Programme was implemented), and this area is also regulated by Employee Code of Ethics, which was adopted on the level of the Bank in Serbia. The event that marked 2011 in this area is our signing of the **Declaration against Corruption**, which is promoted by the United Nations Global Compact network in Serbia, as well as globally.

Last year, the Bank's Executive Board also adopted the **Competition Compliance Programme**, based on the *Competition Compliance Programme* adopted at the Erste Group level. Free competition is an important business objective of the Bank, and compliance with competition regulations is a duty and obligation of all Bank employees. The Programme provides for measures, actions and procedures within the Bank that ensure conduct of all employees in accordance with the regulations on the protection of competition, reduction of the risk of violating the regulations relating to the protection of competition and prevention of negative consequences that the violation of competition regulations may have to the Bank.

The Programme includes several documents relating to key areas:

- **Fair competition** — Compliance with the principles of the Competition Law for employees
- **Anti-corruption guidelines** — an integral part of the Anti-Fraud Management Compliance
- **What to do in cases of raid**
- **Application form for permission to contact competitors**
- **Procedure for handling communication with regulatory bodies and other state bodies in the procedures of indirect and direct inspection**

3.1. Meeting the Needs of Our Customers

Considering the unstable economic conditions

that are still felt in our market as a result of the global financial crisis, during 2011, too, Erste Bank, as a socially responsible company, provided support to the programmes of the Government of the Republic of Serbia that were aimed at increasing the level of economic activity, exports, liquidity and housing construction, through the granting of subsidised loans to citizens and businesses. The services that we offered to our customers during 2011 were created taking into account the problems that the citizens and businesses face in the current socioeconomic environment, with the intention of responding to their needs as efficiently as possible.

During 2011, we provided in cooperation with the European Investment Bank a credit line that enabled our customers to invest under considerably more favourable terms of financing.

We also launched the SupERSTEp programme, which relates to favourable lending of start-up companies. This programme is an excellent example of cooperation between the public and private sector whose ultimate objective is employment increase.

As of last year, the customers whose financial situation worsened due to job loss, income reduction or rise in the exchange rate, can submit an application for rescheduling their loan obligations over a longer period and finding the way, together with the Bank, for regular and continuous repayment of their loan obligations.

We also promoted active savings in order to develop a habit in our customers to set aside a portion of their money regularly, each month, towards savings.

Erste Bank recognised the importance of the new ticketing system in the urban transport network, the **BUS PLUS**, so we decided to participate in this project as well. In 2011, we supported the introduction of electronic tickets for public transport in Belgrade and provided special benefits to all citizens of Belgrade who use urban transport if they decide to become Erste Bank customers.

When it comes to **corporate financing**, one of the ways Erste Bank recognised as efficient for encouraging economic activity in Serbia are long-term loans (up to 12 years) with favourable interest rates that we intended primarily for small and medium-sized enterprises. During 2011, we lent on funds from the direct credit line with the European Investment Bank that are intended exactly for their development.

In the context of corporate social responsibility, we would particularly like to emphasise that, based on an agreement with the European Bank for Reconstruction and Development (EBRD), Erste Bank undertook to implement the Environmental and Social Due Diligence and Monitoring Procedures. In that way, we assist our customers in structuring projects in a way that takes into account local regulations in the fields of environmental protection, health, safety, labour and public consultations and, if needed, in the implementation of corrective action plans.

The responsibility for the implementation of the programme lies with the Legal Division headed by the Competition Compliance Officer in cooperation with the Bank Compliance Department and the Secretary General of the Bank.

[Read more about the SupERSTEp programme and Erste Bank's support to young entrepreneurs on pages 45–46.](#)

Housing Guide

In order to support properly our customers in one of the most important moments in their lives, in 2011 we published a **Housing Guide** brochure, which guides our customers through the entire process of purchasing a house or flat and includes a series of useful advice – from what to pay attention to when choosing property, planning one's own finance and to legal and tax issues when making the purchase itself and signing the contract. In 2011, we also promoted unsecured housing loans in combination with mortgage endowment insurance, so that our customers would solve their housing problem with lower initial costs.

Potential of Renewable Energy Sources

We consider investment in the development of renewable energy sources as a great potential of Serbia's economic power. Certainly the most important project in 2011 is the project of financing the Mirotin Energo plant for electricity production from biogas, with installed capacity of 1 MW. Erste Bank financed 75% (EUR 4.43 million) of the total investment of EUR 5.8 million.

The Mirotin Energo plant uses silage but also waste from agricultural production and cow farm manure as raw material for biogas production, and the gas thus obtained powers the engine that produces electricity. This resolves the issue of manure disposal in a completely environmentally friendly manner, and the biogas production process creates a large quantity of natural fertiliser and hot water as by-products. "The natural fertiliser thus obtained does not contain ammonia, it is completely harmless and of a much better quality than the artificial fertiliser, and the plan is to use the heat obtained in this process for supplying the regional hospital, which will have further positive effects, because this form of heating will be cheaper compared to heating with fuel oil," said Slavko Carić, CEO of the Bank, on the occasion of launching this project.



Customer Communication

With the aim of continuing to be recognised by our customers as a reliable institution, we continue to develop and increase to a higher level the standards of quality on which our business as a whole and particularly our relations with customers are based. This is the direction of our trainings for employees carried out in 2011, which were aimed at care for customers as the priority. In order to provide us with feedback on products and services, our customers may contact the Bank operators at any time through our call centre and get all information on the products and services of our Bank, and our advisors in our branches are available to them on working days for advisory and any other kind of assistance.

Your Opinion is Important to Us

Through the Complaint Management section on our website www.erstebank.rs, all our customers can share with us their opinion on the quality of our services and views on their cooperation with Erste Bank so far. The complaint management works through the form for complaints, suggestions, commendations and criticism and it can be obtained and completed in one of our branches. Other communication channels for customer complaints are also indicated on the website:

zalbe.stanovnistvo@erstebank.rs,
zalbe.mikro.preduzeca@erstebank.rs or
zalbe.preduzeca@erstebank.rs

We shall continue to develop this section in the future as well.

There are also official addresses for communication with all stakeholders, such as:
info@ertsebank.rs,
dop@erstebank.rs and
zivotnasredina@erstebank.rs.

In order to give our customers full and reliable information they require in the process of making financial decisions, as well as advisory and any other type of assistance, we continued to provide information through specialised finance websites such as: www.kamatnica.com, www.krediti.rs and related portals.



In 2011, the **Customer Care Concept** was implemented, which put the focus on the needs of customers and on the highest possible quality of service. The employees in our branches went through additional trainings so that they could properly identify the needs of customers and provide them with adequate advice as to how to best manage their finances and achieve their goals.

We conduct the **Customer Satisfaction** survey in our branches once a year by means of questionnaires and improve the provision of our services to customers by carrying out the mystery shopping research four times a year, measuring deviations from internal service quality standards and codes adopted at the Bank level. According to the surveys carried out during 2011, the overall satisfaction of Erste Bank customers is above average and is 92.86% (it relates to the Retail Division and operations with microenterprises and entrepreneurs).



As a result of all our efforts to improve our customer relations and ensure a clear, transparent and efficient cooperation, during 2011, Erste Bank did not record any cases of customer privacy violations or cases in which customer data leaked or were stolen or lost. The source for our statements is the PIRE Customer Complaint Management Application, which we use for customer complaint management at the Bank level, under the supervision of the Quality Management Department. Owing to this efficient mechanism, we may confirm that there were no **customer complaints** related to data abuse or violation of our customers' privacy in the previous period.

High Customer Information Standards

Insisting on transparent communication with customers, Erste Bank consistently adheres to the rules and procedures regulating the processes of product identification and provision of adequate information on their characteristics and use. Easily accessible **information on the Bank's products** and manner of operation is necessary to customers and end users in the process of making informed decisions. In cases where the advertisement for deposits or loans includes interest rate or any figure related to price or income, we clearly and accurately state the following in the representative example:

- information on the deposit/loan type
- information on the level and variability of annual nominal interest rate
- information on effective interest rate
- information on the currency in which the deposit/loan is contracted
- information on the period for which the deposit/loan is contracted
- information on the criterion for deposit/loan indexation
- information on the total amount of the deposit/loan
- information on all costs to be borne by the customer.

Exercise and Protection of Customer Rights

According to the Erste Bank procedure, this issue is dealt with by the Quality Management Department within the Retail Division in keeping with the legislation of the National Bank of Serbia. Customers can submit a complaint, suggestion or request, and our employees take each complaint into consideration and establish its validity in order to get to impartial conclusions and facts in each individual case. The Bank responds to its customers within 30 days with an additional explanation for the decision made and the measures to be taken.

External Communication

In addition to considerably contributing to the protection of reputation and image of our company, responsible advertising and marketing communication present an expression of recognition of our social obligations, but also a tool that provides additional protection of consumers. The information that we give to the public is always based on facts and easily available and comparable and the Bank does not engage in misleading, unfair or unclear communication or marketing, including the omission of critical information.

In 2011, the Bank successfully aligned its operations with the provisions of the **Law on the Protection of Users of Financial Services**, which made the business relations between customers and the Bank more transparent, and the field of marketing communication is regulated by the **Advertising Law** and the **Consumer Protection Law**, to which the Bank strictly adheres in its everyday operation.

In addition to legal frameworks, the Bank also adheres to the Erste Group marketing standards, which, as part of the recommended tone of communication, emphasise the following principles among the most important requirements: Truth – we do not promise what we cannot deliver, and Humanity – we show real human emotions without suggesting unrealistic ideas and expectations to our customers.

We are recognised in the public as an open and proactive partner, which is evidenced by our large presence in the media. We treat the persons we talk to with respect and try to use our media space in a responsible way while taking into account the current needs of the general public.

Online Communication

Erste Bank is recognised in Serbia as one of the leaders in online communication – we are present on all current social networks: Twitter, Facebook, 4sq and YouTube, and we also developed our own corporate blog, a ground-breaking endeavour among the financial institutions in Serbia.

The strategy of developing our online distribution channels requires us not to use them primarily for product advertising but, above all, for the promotion of our values. We wish to be recognised as a bank that is open for any communication, willing to hear the needs of its customers and ready to respond to them at all times.

Online channels are also an important tool for the promotion of our activities related to corporate social responsibility, e.g. volunteer campaigns.

Promoting Our Partners' Initiatives

During 2011, Erste Bank used a part of its advertising space in the media for the first time for the promotion of the activities of its partner organisations. A total of six advertisements were published in the *Blic*, *Press*, *Novosti* and the *Danas* daily newspapers, by which the Bank invited other companies to buy corporate gifts from the Milan Petrović School for Elementary and Secondary Education of Persons with Disabilities, Novi Sad, and invited the citizens to visit the exhibitions and watch the plays created as a result of the Art and Inclusion project, which is implemented by the Bank's long-term partner, the Per.Art Association, Novi Sad.

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Erste Bank Srbija
4,504 likes · 302 talking about this

Product/Service
Kod nas ste uvek prvi! Pozovite nas na 0800 201201 sa fiksnog (besplatan) ili na 060 7979000 sa mobilnog i iz inostranstva. Email: info@erstebank.rs

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Post
Write something...

Erste Bank Srbija shared a link.
Friday

Proglasili smo pobednike ovogodišnje Centrifuge. Donacije, u ukupnoj vrednosti od 2,2 miliona dinara, dobiće inicijative mladih iz Jagodine, Požege, Pančeva, Novog Pazara, Požarevca, Vrška i Kragujevca.

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Erste Bank Novi Sad
Zašto nam treba hladni širo - novi post na našem blogu [bit.ly/1KJw9VY](#)

Erste Bank Novi Sad
Ojgani! Ako treba neka pomoć slobodno nam se javite i mi [bit.ly/1KJw9VY](#)

Erste Bank Novi Sad
Pozdrav nam iz sarajlika u Otkrivač posuša sa mladih Mjertina. Konkurs traje do 29. juna [bit.ly/1KJw9VY](#)

Erste Bank Novi Sad
Otkrivač Putovdijama. Ako treba nešto, tu smo i mi [bit.ly/1KJw9VY](#)

Erste Bank Novi Sad
Međa Šteđ. Međevitka i ševa na Zmajevim deljini grama (foto) [bit.ly/1KJw9VY](#)

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Erste Bank Novi Sad
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Erste Bank Novi Sad
Otkrivač putovanja. Iznosite nešto i Putovdijama slobodno nam se javite i mi [bit.ly/1KJw9VY](#)

Uroš Đurić o otkrivanju skrivenog blaga ove

ErsteBankSrbija · 44 views · 3 months ago

Sarajevski Uroš Đurić, poručnik projekta Erste Banke Mladi 27, kaže da su mladi ljudi koje Erste Banka otkriva ovog programa promovisala različitim blagom ove zemlje. Foto

Još brži Erste keš krediti (2012.)

ErsteBankSrbija · 845 views · 4 months ago

Erste stambeni krediti

ErsteBankSrbija · 6,804 views · 1 year ago

Video reklama za stambeni kredit Erste banke

ERSTE BANK - Keš kredit - TV spot "Ubrza

ErsteBankSrbija · 1,070 views · 1 year ago

ErsteBankSrbija · Kesh kredit - TV spot "Ubrzava"

3.2. EU Office

In 2011, the Erste Bank EU Office continued its cooperation with the Office of the EU Delegation to Serbia and the European Integration Office of the Government of the Republic of Serbia on the contest for the **best media report** on the European integration process in Serbia and awarded prizes to the most successful contestants. We also continued the publication of our free bulletin, the Erste EU Monitor.

EU Monitor

Erste EU Monitor is a print and electronic quarterly bulletin intended for Erste Bank's customers, employees and friends interested in news related to the process of Serbia's accession to the European Union. The objective of the Erste EU Monitor is, before all, to assist small and medium-sized enterprises interested in using the pre-accession funds and other available support programmes, with a special emphasis on entrepreneurship and innovation.



Photo: Medija Centar

You may submit all questions that you wish to ask the EU office to: eudesk@erstebank.rs or by phone **011 201 50 76**.

Winners of the contest for the best media report on the European integration process in Serbia

The award for the best TV report was shared by journalists Miroslav Nackov from RTV Caribrod, Dimitrovgrad, and Bojan Brkić from the Serbian Broadcasting Corporation (RTS). The award for the best report on an EU-funded project implemented in Serbia went to Gordana Lazarević, a journalist from the Beta News Agency, for the story "Purgatory", which is a part of the Europe in Action series.

Ines Meštović, a journalist from TV Studio B, won the award for the best report in local media, while the award for the best report on small and medium-sized enterprises went to Aleksandra Krstić of the Mreža Production Group for the report "EU-Assisted Organic Production" in the Euronet show.

The award for the best radio report went to Uroš Urošević, a journalist from Radio Bum 93, Pozarevac, the award for the best report published on the Internet media went to Smiljana Vukojičić Obradović, a journalist from the Euraktiv portal, and the award for the best interactive media content went to Vladimir Novaković from the B92 Internet Portal for the campaign "The People Have a Say", which was jointly designed and implemented by B92 and the Belgrade Centre for Human Rights.

The award for the best newspaper report went to Mirjana Pantić of Novi Magazin, while the award for the best student newspaper work went to Danica Čigoja of the Student Radio of the School for Media and Communications.

3.3. Support to Social Entrepreneurship

In 2010, Erste Bank got actively involved in the promotion of the concept of social entrepreneurship as part of the **Social Entrepreneurship Tour** through Central and Eastern Serbia, when **Muhammad Yunus**, a Bangladeshi banker and economist and Nobel Peace Prize winner, presented his concept of social entrepreneurship in Belgrade. In accordance with the goals then set, we actively worked on the promotion of this business concept during 2011, trying at the same time to support the creation of more favourable conditions for financing social enterprises in Serbia.

At the conference on social entrepreneurship, **Social Entrepreneurship and Business — Opportunities and Challenges**, held in October 2011, Erste Bank announced the disbursement of the first soft loan under special terms for the **DajDaj Diapers** project. The EUR 10,000 loan is intended for financing the development of a social enterprise comprising four employees that produce reusable bamboo diapers, which are safer for babies and the environment than regular diapers.

“Since there is no work, we decided to create it. We worked very hard on the development of our product and enterprise, but Erste Bank’s assistance completes our project and provides necessary financial support to us so that we would engage in further development of the concept,” said **Violeta Matijević**, owner of the social enterprise that produces DajDaj diapers.

The conference on social entrepreneurship was organised by the Erste Bank EU Office in cooperation with the Team for Poverty Reduction and Social Inclusion of the Government of the Republic of Serbia, and the event was designed with the aim of assisting the development of social enterprises by informing and exchanging experience among the leading domestic businesspeople, investors, foundations, civil society organisations and representatives of the public sector and the media. Representatives of the European Union Delegation to Serbia, the Ministry of Economy and Regional Development, managers of major domestic companies Victoria Group and Farmakom, Erste Bank, as well as international experts in the field of social entrepreneurship participated in panel discussions. Future social entrepreneurs had an opportunity to get guidelines in the fields of market positioning, cooperation with conventional business, European regulations and other. The conference was held as part of the European Week of Small and Medium-sized Enterprises, in which Erste Bank has been actively involved for three years already.





Success Story on Social Entrepreneurship

DajDaj Diapers

The DajDaj enterprise, specialised for the production of bamboo cloth diapers, is a real success story in many ways. Although founded at the time of crisis, it managed to break into the market, produce a product that is safe both for babies and for the planet and operate in the so-called “tertiary sector”, that is, belongs to the social enterprise category.

The enterprise was founded by two friends, Sonja Dakić and Violeta Matijević. When Sonja got a baby, she got bamboo diapers from abroad for her baby. The product immediately caught the eye of the two, at that time, future entrepreneurs. They made inquiries, found out that the nearest production was far enough, raised some money and a lot of determination and started their own business.

“It was not easy from the beginning,” says Violeta. “Being a small entrepreneur in Serbia entails all the ‘challenges’ of the current business climate.” The two owners quickly made a division of labour; Sonja is mostly responsible for production, while Violeta deals with paper work and sales.

The owners say that they found the training in social entrepreneurship organised by the British Council Serbia very helpful, during which Sonja went through the training in writing business plans and starting business. The money that was provided to the enterprise by Erste Bank as part of the promotion of the social entrepreneurship concept was used for the procurement of raw materials for production.

The DajDaj Pelene enterprise expands its business according to market demands. Sonja and Violeta say that they could easily increase the production should the sales require it. However, the product has competition – disposable diapers, which are still the most popular. On the other hand, the two of them emphasise that bamboo diapers are safer for children along with being much more eco-friendly.

Some 10 per cent of parents buy this product in the countries where the awareness of the advantages of using cloth diapers is much more developed. As they say, the awareness of the advantages of such products for children is only just developing in Serbia. The production employs women who used to work in large state-owned textile factories. In time, as those companies collapsed and the workers lost their jobs, they joined the category of so-called hard-to-employ persons. The DajDaj enterprise owners say that the experience with their workers is very good. Moreover, their knowledge of work has largely contributed to the creation of a quality product.

Next steps in the development of this innovative business will primarily relate to conquering the market. Violeta Matijević says that they are aware how expensive brand building is. Therefore, she says, they mostly rely on recommendations.

Why is Social Entrepreneurship Important to Erste Bank?

Erste Bank recognised the broader importance of this innovative business model in that it can be the basis for facing numerous social problems of today, primarily poverty and social exclusion, and at the same time a significant incentive for stability and social equality. The essence of social economy lies in integrative approach to social, economic and environmental challenges, including partnerships among all sectors.

Our vision is to change the life of people by enabling them to access those financial services that would mean substantial improvement to their existence. Our goal is to support the development of initiatives that have the potential of solving and overcoming the existing problems in a different and sustainable way. The main characteristic of social entrepreneurship is deep permeation between market regularities, on the one hand, and social or environmental dimension, on the other, which is the basis of the business philosophy of the first Austrian savings bank (Erste oesterreichische Spar-Casse), which was founded as a social enterprise in Vienna in 1819 and from which ERSTE Foundation and Erste Group developed. In accordance with this corporate philosophy, our Bank tries to contribute by its own example to the development of social entrepreneurship in Serbia.

3.4. Young and Enterprising SupERSTEp and Youth Business Serbia

“It is in the roots of Erste Bank, established in 1819 as the first savings bank in the region, to open the doors of financial services to the groups for which it is difficult to access these services. We have found that young and educated people in Serbia face great challenges when they are to start a business and we therefore launched the SupERSTEp project,” said Andrea Brbakić, Erste Bank Communication Division and HR Division Manager, on the occasion of the launch of this project.

The SupERSTEp project is intended for unemployed and educated young people with good entrepreneurial ideas that are not feasible without financial assistance and was launched with the aim of encouraging the youth to become active in solving the problem of unemployment in Serbia and to make their first steps in the business they chose. The awards went to the business ideas of seven young entrepreneurs from different parts of Serbia that the Evaluation Committee assessed as having the highest chances for success.

Erste Bank financed their start-ups with RSD 2,350,000 in total under special terms – with no fee, at a lower interest rate (1M Belibor + 4% p.a) and with a longer repayment period (up to 36 months with a six-month grace period).

The project was launched in cooperation with the National Employment Service and supported by the Ministry of Economy and Regional Development, as well as the Ministry of Youth and Sport.

Who Are the Supported Young Entrepreneurs?

Eighteen people under 30 years of age who did not have a job and who had completed university or post-secondary education applied for the SupERSTEp loans. The loans were granted to Jan Privizar from the village of Kisač near Novi Sad, producer of industrial hemp, Aleksandra Popović, a dentist from the village of Kljajicevo near Sombor, Marija Radulović, who, owing to the money received, will open a workshop for the production of hand-made products in Gracac near Vrnjacka Banja. Nikola Milanović from Kraljevo will open a dentist's office, while Elena Krleski from Jagodina will engage in the production of finished textile products with folk art features. Mladen Burdelj from Krusevac will engage in processing plastics and Milan Stojković from Bor will provide tourist management services. Maximum amount of individual loans was RSD 500,000.

What Does Erste Bank's Support Mean to the Young Entrepreneurs?

Jan invested the maximum amount of the loan, RSD 500,000, in the adaptation of the warehouse and in the purchase of a machine for the production of cold pressed hemp oil and, as he himself says, he feels relieved, because he will only start to repay the money after six months. The favourable credit terms also thrilled Aleksandra, a dentist, who, owing to the money received, managed to employ one more person in her dentist's office. For Marija Radulović, as for all young entrepreneurs, the start of her own business means the “realisation of the dream of gaining independence” and, owing to Erste Bank's support, it became possible for these young people to have “something of their own and to rely on their own work and abilities in their life.”



Photo: Medija Centar

By the SupERSTeP project, Erste Bank supported a broader programme of comprehensive support to young entrepreneurs in starting and developing their own business, the Youth Business Serbia programme, which was launched as a result of cooperation between SMart Kolektiv, Erste Bank, Business Leaders Forum, National Employment Service and the USAID Sustainable Local Development Project.

Bearing in mind that young people most often lack funds, experience, education and encouraging environment for starting their own business, the Youth Business Serbia programme is designed with the aim of providing, in addition to access to the SupERSTeP credit line, free consultation in the preparation of business plan, trainings and courses in entrepreneurship and business mentoring in the period of at least one year to young people with entrepreneurial spirit.

At the event marking the launch of this programme, speed mentoring modelled after speed dating was organised, during which ten young entrepreneurs had the opportunity to exchange experience and get advice from successful directors and managers from business and public sectors. Mentoring pairs took turns every five minutes, and mentors were: Vladimir Čupić, CEO of HYPO Alpe-Adria-Bank, Milan Simić, IT Division Manager, Telekom Srbija, Dragan Pušara, Manager, City Green Markets Public Utility Company, Bojan Žarković, Team Leader, Erste Bank Entrepreneurial Centre Belgrade, Bojan Vulikić, Senior Product Management Specialist, Erste Bank, Zoran Dželatović, Manager, Meris, Darko Matijašević, Manager, Executive Group and Minja Bolesnikov, Manager, Grand M d.o.o.

Representatives of our Bank joined the project with pleasure and accepted their roles as mentors in order to share their rich experience and managerial skills necessary for the survival in the market with those who are at the very beginning of their career development.



Photo: Medija Centar



Achieved in 2011:

- [✓] The third Corporate Social Responsibility Report was published
- [✓] Regular customer satisfaction surveys were conducted and the application of mechanisms for controlling the quality of service provision was continued
- [✓] A special service was created for a socially vulnerable group, building upon our activities with the aim of promoting microbanking: the SupERSTeP project
- [✓] EU Office continued its operation and successfully carried out its annual activities
- [✓] We continued with the promotion of social entrepreneurship – we granted the first soft loan
- [✓] We joined the Youth Business Serbia project

Plans for 2012:

- [✓] Publish the Corporate Social Responsibility Report according to GRI standards
- [✓] Regular customer satisfaction survey and the application of mechanisms for controlling the service provision quality
- [✓] Creation of special service for a socially vulnerable group
- [✓] Continued operation and development of the EU Office
- [✓] Continued promotion of and support to social entrepreneurship
- [✓] Continued promotion of and support to microbanking
- [✓] Further involvement in the Youth Business Serbia programme

4. OUR FELLOW CITIZENS IN THE COMMUNITIES IN WHICH WE OPERATE

In addition to being a reliable partner in the field of financial services, we also wish to support our fellow citizens in creating conditions for the highest quality life possible in all communities in which we are present. In the years behind us, we initiated and carried out many projects, built valuable and lasting partnerships and contributed to the creation of an environment that gives a chance to young people to realise their creative ideas and potential and to vulnerable groups to be equal members of the community. In addition, by investing in the reduction of the environmental impact of our operations and in other projects in this field, we want to make our community a healthier and safer place for living.

Erste Bank operates in 45 towns in Serbia and all our programmes of investment in community are based on the sum of the needs of these local communities, aimed at ensuring that our support produces adequate results and visible changes.

Education

The youth and investment in the development of their potential are among the key priorities of Erste Bank. During 2011, we continued to invest in young people who achieve exceptional results in different fields: we supported the participation of prominent students of Serbian universities in seminars and symposia of the European Forum Alpbach, the Role Model 2011 PR competition of students of Vojvodina, as well as a prize award to gifted students who achieved top results in competitions in the country and abroad, which was organised by the Provincial Secretariat for Sport and Youth. We also continued to support science popularisation and promotion by supporting the Science Festival event and the competition for the best science communicator, the Laboratory of Famous People.

In 2011, the largest and most important programme of Erste Bank support to young talents, Club 27, was conducted for the fourth consecutive year in partnership with the Balkan Community Initiatives Fund and with support of the Ministry of Youth and Sport, with the prize fund of RSD 1.2 million. The aim of the programme is to promote and reward active, talented and creative young people who achieve exceptional results in the fields in which they are engaged. The contest is open for young people aged 16 to 27 years who, in addition to the achieved results, involve others in the subjects with which they deal, thus spreading a positive influence in the community. Over 400 candidates from 98 towns in Serbia applied to the contest in 2011. In addition to expert jury, the winners are selected by the public as well by voting for short-listed nominees via text messages and the www.superste.net website.





In the fourth cycle of Club 27, a total of 15 young people were awarded in the fields of art, social sciences and humanities, and natural sciences, engineering and technology. The winners of first prizes, one in each category, were each awarded 200,000 dinars in the Erste Bank Youth Accounts.

The winner in the art category is Tamara Dobranić, a young harpist and a music school teacher, member of the Belgrade Philharmonic Orchestra and winner of many awards in the country and abroad. Marija Jelić, who was awarded first prize for natural sciences by the jury and also won the highest number of votes of the public, is the only one from the territory of former Yugoslavia who won three Olympic medals in international math Olympics. The best in the social sciences category was Uroš Matić, a student of archaeology, associate at the Petnica Science Centre and external associate of the Museum of African Art in Belgrade. Twelve more young talents, four in each category, were awarded 50,000 dinars each in Erste Bank Youth Accounts.

The members of the expert jury were Jelica Protić, Professor of the School of Electrical Engineering of the University of Belgrade, Snežana Klačnja, Assistant Minister of Youth and Sport, Ljubiša Rajić, recently deceased Chair of the Department of Scandinavian Studies at the School of Philology of the University of Belgrade, Uroš Đurić, an artist and spokesperson for the Project, Saša Mirković, External Communication Manager of RTV B92, Boško Radojković, Guitar Art Festival Manager, Bojan Brkić, Deputy Editor-in-chief and Editor of the Foreign Policy Editorial Office of the Serbian Broadcasting Corporation and Andrea Brbaklić, Erste Bank Communication Division and HR Division Manager.

“This project is focused on the segments of society that are neglected in different ways. Nowadays, the situation is not easy at all for those who decided to engage in activities of broader social importance in which one cannot immediately get full professional satisfaction. I congratulate all new members of Club 27 on the success achieved,” said the Project spokesperson, artist Uroš Đurić. New, fifth Club 27 Contest was announced late that year.

Mladgrad

On the occasion of the International Youth Day celebrated on 15 August, the Civic Initiatives organisation gives the Mladgrad award intended for local governments that gave the greatest contribution to the improvement of the status of young people in local community. In line with its strategic commitment to invest in the development of young people and their potential, Erste Bank supported the granting of this award for 2011. In addition to recognising and increasing the visibility of the efforts of local governments to improve the status of young people, the aim of this award is also to encourage local governments to do even more for the improvement of the quality of life of their young fellow citizens, develop the mechanisms for social inclusion of vulnerable youth categories and encourage young people and their associations to work together with local governments on the improvement of their own status. First prize for 2011 went to the Urban Municipality of Obrenovac and the municipalities of Ruma, Pirot and Kursumlija and the towns of Novi Pazar and Smederevo were awarded as well.



During 2011, we continued our cooperation with our long-term partners in the field of education, the **Junior Achievement Serbia** organisation and the **AIESEC student organisation**. Erste Bank supported the final national contest as part of the Banks in Action programme, which is organised by Junior Achievement. The Banks in Action programme acquaints high school students with the business principles in the banking sector and challenges of successful bank operation in a competitive environment. The programme is implemented through practice and computer simulation, through classroom activities and at regional and national contests. In addition to providing new knowledge, this programme also encourages young people to become active citizens and informed customers.

Iskustvo na dar – Mentorska šetnja 2011.

The aim of the Share Your Knowledge – Become a Mentor project is to bring together prominent, successful women from different professions who are willing to transfer their knowledge and experience to selected young women who are at the beginning of their careers.

As a brief reminder, symbolic walk from Terazije to Kalemegdan on 20 November 2010 officially kicked off a new project cycle. More than forty mentors accepted the invitation to participate in the programme, including Mirjana Karanović and Ana Sofrenović,

Erste Bank and AIESEC — Partners for the Future

After many years of cooperation on individual projects, Erste Bank and the AIESEC student organisation signed a National Partnership Agreement on 25 July 2011 in order to continue to work together on the development of young people and on solving current social challenges. The Agreement applies to a one-year period during which the students had an opportunity, through different projects and programmes, to familiarise themselves with the operation of Erste Bank and acquire knowledge and practical skills in the fields of communication, corporate social responsibility and increasingly topical social entrepreneurship.

In addition to contributing to the personal and professional development and improvement of students, the participation in joint projects will also be an opportunity for Erste Bank employees to hear the opinions of young and creative people in an interactive process and to approach the problem solving from a different angle.



actresses, Antonela Riha and Brankica Stanković, journalists, Milica Delević, Manager of the European Integration Office of the Government of the Republic of Serbia, Gordana Čomić, MP, and other successful women from the business world and public and civil sectors. Since the walk held in November 2010 until May 2011, the mentors and selected students occasionally met and discussed their successes, but also the challenges they face in their professional and private life. In addition, five round tables were organised on the following topics: Women in Serbia – Overview and Prospects, Women in Investigative Journalism, Women in the Business World, Women in Art, and the fifth round table where the guest was Kris Manos, Ambassador of the Vital Voices organisation and a long-time mentor.

The new walk from Terazije to Kalemegdan on 19 November 2011 started a new cycle of the Share Your Knowledge – Become a Mentor project, which is jointly implemented in Serbia by the United States Embassy, Erste Bank and the European Movement. The walk involved mentors, prominent and successful women in different fields – business, culture, politics – and students and young women at the beginning of their careers, who talked with mentors about their ambitions during that event the challenges they face in their professional and private life.

The mentoring walk was only the first in a series of meetings between mentors and project participants whose general aim is the economic and professional empowerment of women in our society through transfer of knowledge and experience, commitment of women to the development of leadership and promotion of women’s professional achievements. This project cycle will last until May 2012 and individual meetings of mentors and participants will be held in this period, as well as workshops at which the participants will have an opportunity to improve their skills including public appearance, communication and presentation of ideas, which are necessary for successful work.



Erste Volunteers: Support to Education

In 2011, Erste Bank employees were involved as volunteers in several campaigns focused on support to education:

Financial Education of the Liceulice Magazine Vendors

Recognising the importance of increasing financial literacy of the population, the Bank continued its active involvement in this area. In 2011, Bank volunteers adapted the financial literacy programme to young users of the Drop-in Centre for Street Children, who make their living by selling the Liceulice magazine. Three workshops were held in the Bank premises on the subject of savings with the aim of motivating the young vendors to continue to sell, work and save part of their earnings. Erste Bank further motivated them to save by doubling the amounts they managed to save in the period of three months, which was the duration of the project. In addition to lectures at the Bank, the participants also learned how the branches and ATMs work, thus familiarising themselves for the first time with financial services. This project will continue in 2012 as well.



Assistance to High School Students in Entrepreneurship Competition

In cooperation with our long-term partner, the Junior Achievement organisation, 15 Erste Bank volunteers supported high school students in the development of entrepreneurial skills as business mentors to students’ enterprises or as jury members at competitions in Novi Sad, Nis and Belgrade.



Talent Development Programme

This is another in a series of programmes that we implemented with our strategic partners: 20 Erste volunteers worked with old and new members of the AIESEC student organisation, preparing them for the challenges that the turbulent modern business environment brings through lectures, workshops and simulations of real situations in searching for a job or working at particular positions in the Bank.

Restoration of a Classroom in the Anton Skala School for Children with Disability in Belgrade

In August 2011, Erste volunteers helped prepare the Anton Skala School to welcome students in the new school year: one of the classrooms was painted, with new flooring and wall decorations put in.



Why Do I Volunteer?

Erste volunteer Suzan Tanriyar, member of the Bank Executive Board: "I volunteer because it enables me to be closer to the community, the people and the region. Volunteering is one of the ways to make a difference by using our skills and power and showing that we care."



The twenty mentors who take part in this year's project will try to transfer their knowledge and experience to the registered participants in the best way in the following period. It will be our pleasure to motivate these young women to achieve their professional goals and thus together change the world for the better because changes start from the individual," said Andrea Brbaklić, initiator of the project in Serbia, mentor and Erste Bank Communication Division and HR Division Manager on the occasion of the launch of the project. Actress Mirjana Karanović also gave her impressions about the participation in the project, as well as about the successes in the work with her student in the previous cycle: "This is a truly precious, useful and refreshing programme, because one should only be honest and well-meaning, which is why I decided without hesitation to take the role of mentor this year as well. Only a person full of life experience can be a real teacher."

The idea for the mentoring walk came from the former owner of Oxygen Media, Geraldine Laybourne, who "spread" these walks throughout the United States and inspired the participants of the Global Women's Mentoring Partnership programme to do the same in their communities. Every year, the mentoring walk, which is organised on the same day in over 10 countries, involves thousands of women committed to this purpose. The mentoring walk in Serbia has been organised since 2008 and is a part of this global initiative coordinated by American organisation Vital Voices, with the aim of promoting women's leadership and developing support networks.

Culture

Support to the development of culture and art is one of the priorities provided for by the Corporate Social Responsibility Strategy of Erste Bank, and in 2011 we continued our cooperation with the events we traditionally support, such as **Sterija Theatre Festival**, **Zmaj Children Games**, **Belgrade Jazz Festival**, **European Film Festival Palić** and many others. We pay special attention to supporting youth initiatives, such as the Interaction – International Student Film Camp, organised by the Filmart Independent Film Centre in Pozeđa.

Enrichment of cultural environment for young people and cultural decentralisation are the goals of certainly our largest programme in the field of culture – **Centrifuge**. In 2011, Centrifuge was organised for the fifth time. **More than 150,000 euros has been invested through this programme in the development of culture in smaller local communities since 2007, which enabled the implementation of 35 projects in over 20 towns in Serbia.** We are proud of the fact that we expand and enrich the cultural map of Serbia by this project.

Seventy-two projects from over 30 towns applied to this year's contest. Grants in the total amount of 2.5 million dinars were awarded to the following youth organisations: EkoGlas Civic Association, **Jagodina**, Cultural Network informal youth group, **Banovci**, Positive Youth Non-Governmental Organisation, **Kraljevo**, Generator, Anomaly and Party informal group, **Pozeđa**, Urban Youth informal group, **Novi Pazar**, Vido Civic Association, **Kragujevac**, Lift Cultural Centre, **Cacak**, and Stairs Artist Association, **Sabac**.

The members of the jury awarding grants were: Ana Sofrenović, actress, Gordana Paunović, B92 Corporate Social Responsibility Manager, Dimitrije Tadić, advisor in the Department of Modern Creativity, Cultural Industry and Cultural Relations of the Ministry of Culture of the Republic of Serbia, Mia David, Belgrade Cultural Centre Manager, Branislav Ivin, Chairman of BCIF Board of Directors and Mirjana Šakić, Erste Bank Communication Division.

As a brief reminder, youth organisations and informal youth groups from all places in Serbia in which Erste Bank operates, except Belgrade, Novi Sad and Nis, have a right to apply to the contest for grants within the Centrifuge programme. The aim of the programme thus designed is to move the focus of cultural and social events away from the major cities and provide other local communities with an opportunity to develop local cultural events with their potentials, ideas and good will.

The Balkan Community Initiatives Fund (BCIF) has been Erste Bank's partner since the very start of the implementation of the Centrifuge programme, and the project also has the support of the Ministry of Culture of the Republic of Serbia.

The plans for the future include connecting the youth gathered around the Bank's largest projects – Club 27 and Centrifuge – in order to encourage them to work together and ensure long life of the initiatives they launched.



Inclusion

We Read Liceulice!

In addition to the unique programme of increasing financial literacy of the Liceulice magazine vendors, which we launched during 2011, Erste Bank also supports this innovative project by regularly organising the sale of the magazine in the Bank premises. Following the publication of each new issue, the Liceulice vendors visit us and, in socialising with the employees, reveal what topics the magazine brings in its current issue. In 2011, the Liceulice vendors from the Youth Integration Centre, Let's Live Together and KEC MNRO organisations visited our Bank six times and our employees bought over 600 copies of the magazine in total. In that way, our employees become loyal readers of the Liceulice magazine and young vendors from the poorest and most vulnerable groups in our society have an opportunity to develop communication and sales skills and make an important step towards their economic empowerment.

More about the project itself and the Liceulice magazine may be found at www.liceulice.org



For the Welfare of Our Youngest

During 2011, Erste Bank provided 600 baby blankets to the following institutions:
Cradle, Subotica — 200 pieces
Drop-in Centre, Beograd — 100 pieces
Veternik — 150 pieces
Children's Village, Sremska Kamenica — 150 pieces

Support to social inclusion has been an inseparable part of Erste Group's identity ever since the establishment of Erste oesterreichische Spar-Casse (First Austrian Savings Bank) in 1819, and today it is high among the priorities of all Group members and especially ERSTE Foundation. Empowerment and increasing the visibility of vulnerable and marginalised groups and their social inclusion have been among our priorities since the start of our Bank's operation in Serbia.

During 2011, we continued to support our long-term partners: the **Per.Art Association and their project Art and Inclusion**, whose goal is the promotion of creative work of youth with developmental disorders in the domestic and foreign art scene and development of inclusion in the field of culture; then the **Milan Petrović School for Elementary and Secondary Education**, Novi Sad, with which an Inclusive Christmas Bazaar was organised for the first time in the Bank halls, at which the students exhibited and sold their products, which caused a great response and extremely positive reactions of our employees. We also continued to buy as corporate gifts the products created in the work centres of this school but also in other organisations supporting vulnerable groups and in social enterprises.





**Erste Volunteers:
Support to Social Inclusion**

In September 2011, Erste Bank volunteers organised an excursion for the Roma children from the Adice settlement, Novi Sad. With the aim of reducing the isolation of the children from this settlement, we organised an excursion to Strazilovo for the second time, in cooperation with the Novi Sad Humanitarian Centre, and provided the participants with a day full of sports, cultural and entertainment activities. In line with our strategic commitment, we continued to interconnect the partners with which we cooperate, so the coordinators from the Milan Petrović School appeared in the role of demonstrators at the workshops on creating mosaics and clay figures and drawing. For the first time since Erste Bank started to organise volunteer campaigns, its employees brought their children with them and thus contributed to making this day unforgettable for all participants of this activity. The end of the event was marked by the school of juggling skills that was organised by members of the Cirkusfera association.



We Care About the Environment

In 2011, we continued to invest in renewable energy sources and recycling. Adhering to our long-term commitment to reducing the environmental impact of our operation, we recycled **34,550 kilograms of office paper, 823 empty toner cartridges and 1,990 kilograms of waste electronic equipment.** In addition, in cooperation with the Eco-bag company, **more than 200 m² of PVC films** used on billboards for our marketing campaigns **were processed to make over 150 eco-bags** that the Bank gave out as its corporate gifts. We also continued to use eco-bags made of natural materials and **to print our publications and reports on the FSC-certified paper.**

Certainly the most important initiative in the field of environmental protection during 2011 was our involvement in the ECOprofit project. This international project was launched in Graz two decades ago with the aim of reducing the volume of waste and emission of harmful substances, as well as applying environmental standards in their treatment. Over 2,000 small, medium-sized and large enterprises from Austria, Germany, Italy, Romania, Czech Republic, Slovakia, Ukraine, Brazil, Slovenia and Hungary have taken part in the project so far. In Serbia, the programme was launched by the Novi Sad Environmental Protection Authority in cooperation with the Austrian Development Agency and the Denkstatt Consortium, Vienna. Erste Bank is one of the first ten companies and the only bank that joined that project, which promotes the application of principles that enable more profitable and cost-effective operation, while saving money and reducing negative environmental impact.

The ECOprofit project includes group workshops dealing with many aspects of environmentally-friendly operation – the concept of cleaner production, energy efficiency, compliance with legislation, preparation for the introduction of EMAS and ISO 14001 standards – as well as individual counselling to companies participating in the project.

Erste Bank analysed the current situation in the Bank in the field of environmentally acceptable operation through interactive workshops with project consultants in order to improve further Bank operations in this field in the future. We took a snapshot of the consumption of all types of energy – electricity, gas and fuel – as well as of water and then determined the volume of waste produced by the Bank, all with the aim of more cost-effective operation in the future. Now we can measure the savings achieved and accurately evaluate the results of our environmental efforts.

All companies that participated in the first stage of the project had an obligation to apply some of the measures pointed to by the consultants and present them to the committee along with a detailed report on project implementation by January 2012. After the positive evaluation by the committee, the ECOprofit award was presented to Erste Bank by Igor Pavličić, Mayor of Novi Sad.

With a very useful and successful cooperation with Denkstatt consultants, we got a series of ideas that we have already started to apply in our everyday operation. The emphasis is on the projects in the field of waste management, and one of the first initiatives that was implemented is the expansion of the existing practice of recycling of office paper, IT equipment and empty toner cartridges, on recycling additional materials such as glass and PET packaging which will start in 2012, about which the employees will be further notified and invited to joint the activities.

Why Do I Volunteer?

Jožef Varga, Erste volunteer, Vrbas Branch

“By volunteering, I get involved in social processes and give contribution to the development of a more humane and more equal society and contribute to improving the quality of life of citizens. By voluntary work, I simultaneously enrich myself, make new friends, get to know new places and do community service with personal satisfaction, and the results of my work are immediately visible because every effort invested produces an instant result and makes all participants happy, joyful and satisfied.”

By launching the initiatives for environmental impact reduction, during 2011, Erste Bank made savings of around 23,000 euros even before joining the ECOprofit project, mostly by economical fuel consumption, while some savings were generated to a somewhat lesser extent in the electricity consumption and especially in the reduction of emission of harmful gases.

Material	Environmentally acceptable impact / per year	Saving [EUR] / per year
Electricity	30,000 kWh	1,500
Fuel	13,551 l	17,500
CO ₂	66,500 kg	3,900
Collected waste	30,000 kg	n. a.

Dragana Arsić, Property Management Division Manager, concluded that, by participating in this project, Erste Bank again confirmed its leading and pioneering role in the area of corporate social responsibility: "The project is an excellent starting point for the introduction of any company into the Environmental Management System as a special system whose implementation is already partly mandated by our legislation. Three Property Management Division employees got an exceptional opportunity to attend training and courses and be among the first to receive the title of environmental managers."

In line with the project recommendations, in 2012 Erste Bank will continue with energy consumption optimisation projects. After drafting the policy and procedure for environmentally friendly operation, a waste collection and separation system and instructions on environmentally responsible driving are to be implemented.



Erste Volunteers for Environment

When organising volunteer campaigns, Erste Bank's strategy is to establish cooperation with local organisations involved in resolving problems in their community. A major annual volunteer campaign has been organised in partnership with the Vojvodina Environmental Movement from Novi Sad for the past three years. 2011 saw the start of cooperation with the Pancevo Environmental Movement, with whose support the Environmental Park in this town underwent improvement.

Regional volunteer campaign was held in Pančevo on 28 May 2011. The campaign was directed towards resolving the problem of disrepair of the Environmental Park – green area of 4.5 ha, by cleaning up, restoring and replacing the equipment and children's playground. Owing to serious efforts of almost 40 volunteers of Erste Bank, part of the park equipment was replaced (20 benches and 15 waste bins), the existing equipment was painted and cleaned, broken branches and garbage was removed, grass mowed, six broken swings and four seesaws were replaced, while the existing seesaws, swings and jungle gym were cleaned and painted. Another site for outdoor recreation was thus placed at the disposal of the citizens of Pančevo, while the children got back their playground. Furthermore, the Environmental Park started being used for educational purposes and the students from the nearby schools already had their first classes outdoors.

The campaign of Strazilovo outing spot improvement, with the installation of information boards, took place on 17 September 2011. With this campaign we wanted to contribute to the improvement of footpaths from the foot of Strazilovo to the Branko Radicevic monument, as well as of the area around the monument. Our colleagues were joined by volunteers from the Fruska Gora National Park, PUC Belilo, Tourist Organisation of Sremski Karlovci Municipality and members of the Vojvodina Environmental Movement. On this occasion, 12 information boards were installed, two wooden bridges were repaired and reinforced, the fence was replaced and reinforced on the bridges and other parts of the paths, plant waste and garbage was collected and eight tables and 16 benches were painted.

Why Do I Volunteer?

Tamara Bašić, HR Division:

“Why do I volunteer? Well, the answer is very simple – I really enjoy it! Apart from spending time outdoors, which I love, I do something useful for the environment and the community, I spend time with my colleagues and the barbecue is always amazing! I actually do not see any reason not to participate in any of the following volunteer activities, which is something I would like to recommend to others as well.”

Achieved in 2011:

[✓] We continued with strategic investment in projects at the national level, as well as support to initiatives in all local communities in which we operate

[✓] We successfully continued with the implementation of partner programmes: Centrifuge, Club 27 and Share Your Knowledge – Become a Mentor

[✓] We continued with financial literacy programmes

[✓] Group volunteer campaigns were successfully implemented and the number of individual volunteers is rising

[✓] We successfully implemented the ECOprofit project, combining all the measures directed towards environmental protection through business operation: we continued with recycling, reduction of energy material consumption, etc.

[✓] We continued to provide support to activation of renewable energy sources through lending

Plans for 2012

[✓] Continue with strategic investment in projects at the national level, as well initiatives in all local communities in which we operate

[✓] Improve the Bank’s general sponsorship and donation programme

[✓] Continue with partner programmes: Centrifuge, Club 27 and Share Your Knowledge – Become a Mentor

[✓] Evaluate the local donation programme Centrifuge – after 5 years of successful implementation

[✓] Continue with financial literacy programmes

[✓] Continue with corporate volunteering programme

[✓] Apply and implement the set goals of the ECOprofit projects

[✓] Continue with the provision of support to use of renewable energy sources.



5. ERSTE FOUNDATION

ERSTE Foundation is a unique institution

in Central and Southeast Europe, building upon two centuries of social entrepreneurship: in 1819 the first private savings bank Erste oesterreichische Spar-Casse was established in Vienna, with a mission to make financial services accessible to all the citizens. This savings bank developed into Erste Group, and its legal successor is the ERSTE Foundation, established in 2003, which is still today the main shareholder of the Group. The goals of the ERSTE Foundation are based precisely on these historic roots: it ensures the future of Erste Group as an independent company and invests its dividends in activities of general social impact.

ERSTE Foundation initiates and implements projects with partners within three main programmes: Social Development, Culture and Europe. In this way the Foundation contributes to development, exchange of ideas and networking, creating a base for positive changes.

What Would You Change?

More details about the ERSTE Foundation, countries in which it is active and actual projects may be found at www.erstestiftung.org

ERSTE Foundation in Serbia

SHARE Conference

SHARE Conference is a new form of festival initiated in 2011 by the State of Exit Foundation, with the support of the ERSTE Foundation. The goal of the festival is to gather in one place internationally recognised initiators of internet and social activism, artists in the area of electronic media and performers of electronic music. At the same time, it is an opportunity to exchange ideas and information, connect people with same interests and to exchange knowledge with leading experts in new media. The festival concept consists of two parts: educational platform SHARE By Day, and musical and club programme SHARE By Night. In the context of accompanying lectures, SHARE hosted representatives of Google and Yahoo, MIT university, marketing wizards from Barack Obama's team, as well as science fiction writers, founder of Pirate Bay, Peter Sunde, as well as a member of the European Parliament, Amelia Andersdotter from the Pirate Party. In 2011 the day programme of the SHARE festival was visited by around 5,000 people.



Balkanology Exhibition in Belgrade

The Balkanology – New Architecture and Urban Phenomena in Southeast Europe exhibition was held in Belgrade during May 2011, within the 6th Belgrade International Week of Architecture – BINA 2011. The exhibition presented the lesser known architecture of the post-socialist period, which is a result of unregulated and uncontrolled urban growth in the countries of Southeast Europe. With examples from Belgrade, Bucharest,



Kotor, Pula, Prishtina, Sofia, Tirana and Zagreb, research projects, concrete interventions, architectural analyses and new strategies were presented, but also less known buildings constructed during the period of socialist moderne in the former Yugoslavia. The best known architects of the former Yugoslavia were also presented: Nikola Dobrović, Edvard Ravnikar, Jože Plečnik, Bogdan Bogdanović, Ivan Antić, Ivanka Raspopović, Mihailo Janković, Drago Galić, Edo Mihevc, Zlatko Ugljen, Vladimir Turina, Vjenceslav Rihter. The author of this exhibition is Kaj Fekler, art and urban planning expert and professor at the Offenbach Art University.

ERSTE Foundation Award for Social Integration 2011 – Success of Serbian Projects

ERSTE Foundation award has been presented to individuals and groups contributing to the creation of equal opportunity societies in the countries of Central, Eastern and Southeast Europe since 2007. Except for the monetary award, the selected projects receive professional PR support, as well as training on social entrepreneurship, public relations and social media use.

The 2011 awarding ceremony was held in Prague on 20 June 2011, with three projects from Serbia among the 36 recipient organisations:

- Health Against Poverty project of the Bridges Sustainable Development Initiative from Krusevac provides possibilities to the unemployed and families with persons with intellectual impairment to undergo training on organic food production and supports them to start their own business.
- Small House Community project of the Half Way organisation from Pancevo provides assisted living services to persons with intellectual impairment, thus preventing their placement in residential institutions and improving their skills and capacity.
- Golden Years project of the Local Development Association from the village of Kamenica near Nis enables the elderly from underdeveloped rural areas of Southeast Serbia to remain active members of the society by forming self-help groups in a restored Day Centre, through which users help each other using their knowledge and experience.



ERSTE Stiftung

Major Projects Supported in 2011

General sponsorship and donation programme of Erste Bank was developed based on the Bank's principles of corporate philanthropy, which imply the initiation, recognition of and support to projects contributing to the development of the value system, society and culture. The Bank dedicates special attention to creating and fostering strategic partnerships, because we believe that, in such a way, multiplication and sustainability of effects of our investment in the society is ensured. For that reason in 2011 we supported a number of projects implemented by our long-standing partners, as well as numerous new initiatives, whose goals we recognised as important and complementary with our strategic commitments in the area of corporate philanthropy.

Organisations, institutions and informal groups wishing to apply for sponsorship or donor funds of Erste Bank at www.erstebank.rs and www.superste.net websites are provided with standardised application forms and instructions how to apply containing transparent information on the application manner and deadlines, priority topics and target groups supported by the Bank, as well as the selection process.



SPONSORSHIPS

Guitar Art Festival 2011

Music festival of classical guitar and all other guitar types
Belgrade / CA Guitar Art

Belgrade Jazz Festival

Belgrade / Youth Centre

Pancevo Jazz Festival

Pancevo / Pancevo Culture Centre

Nisville Jazz Festival

Nis / Nisville Foundation

Music CD: "Chamber Music of Isidora Žebeljan Performed by Brodsky Quartet"

Belgrade / Testament Films d.o.o.

European Film Festival Palić

Subotica / Open University

Sterija Theatre Festival

International theatrical event / Novi Sad / Sterija Theatre Festival

Zmaj Children's Games

Children's event / Novi Sad / Zmaj Children's Games

Arouse! Poetry! Belgrade Poetry and Book Festival

Belgrade / CA Third Square





FameLab

Programme for popularisation of science in Serbia / Belgrade / British Council and Serbian Broadcasting Corporation

Science Festival 05

Belgrade / Science and Art Promotion Centre

Kopaonik Business Forum 2011 Sustainable Reforms for Sustainable Development

Kopaonik / Serbian Association of Economists



CSR Forum

International Conference on Corporate Social Responsibility Belgrade / SMart kolektiv

TEDxNiš 2011 Conference

Various lectures aimed at developing deep discussions and connecting the audience Nis / Suprima Nis



Run for Life, movie by Mladen Matičević

Belgrade / Starhill d.o.o., production and distribution company

Digging Deeper, book by Sheila S. Coronel

Belgrade / BIRN Serbia

General Meeting of European Federation of Journalists

Belgrade / Independent Journalist Association of Serbia



Blog Open 2011

Novi Sad / LIBER Centre for New Media

Energy and Agri-processing 2011, Scientific and Technical Meeting

Novi Sad / Vojvodina Agricultural Engineering Society

DONATION

New Spark

Design incubator, Centre for professional development and affirmation of young industrial designers
Belgrade / CA Culture Code

Jump Starting Social Entrepreneurship: Laundry Service

Sabac / Caritas Association

Mladgrad 2011

Award to local self-governments that contributed most to the improvement of the status of young people in that local community.
Belgrade / Civic Initiatives

Contest for the Best Media Report on European Integration

Belgrade / Organised by EU Integration Office



NOVA ISKRA
dizajn inkubator



Places in the Heart

Awards to the most positive civic initiative projects and the best local partnership
Belgrade / Places in the Heart Fund

Awarding gifted students who achieved top results in competitions in the country and abroad

Novi Sad / Provincial Secretariat for Sport and Youth

Recognition of Foreign Higher Education Degrees – Path to Economy of Knowledge Conference

Belgrade / Fund for Political Excellence

International Conference Graphics Designer: Author or Universal Soldier

Belgrade / NGO Blocs

How to Web Belgrade Conference

Belgrade / Initiative for Improvement of New Technologies in Southeast Europe – SEE ICT Association

Danubia.IT Conference

Novi Sad / Vojvodina ICT cluster

Different Face of Serbia

Week of science, culture and art of Serbia at the London School of Economics
Belgrade – London / Fund for Social and Democratic Initiative FOSDI

Interaction – International Student Film Camp

Pozega / CA Independent Film Centre FILMART

Example 2011, 2nd Vojvodina Student PR Competition

Novi Sad / PR Centre of Novi Sad

Participation of prominent students of Serbian universities in seminars and symposia of the European Forum Alpbach

Alpbach, Austria / Civic Association Initiative Group Alpbach Belgrade

Art and Inclusion

Promotion of creative work of youth with developmental disorders in the domestic and foreign art scene and development of inclusion in the field of culture

Novi Sad / CA Per.Art





Our Children

Project aimed at sensitisation of the population to humanity and solidarity, foster care and adoption
Belgrade / CA Kula



National Association of Parents of Children Suffering from Cancer (NURDOR) – assistance to regular activities

Belgrade / NURDOR

Art Brings Us Together – Inclusion of Youth with Cognitive Impairment

Belgrade / Creative Educational Centre for persons with cognitive impairment KEC MNRO



Good Will Forehand – Humanitarian campaign of bankers for children

Belgrade / Partizan Tennis Club

Humanitarian bazaar

Belgrade / International Women's Club

Works on genetics laboratory

Belgrade / "Narodni front" - Obstetrics and Gynaecology Clinic



Marking 10th anniversary of Dimitrije Basiccevic Mangelos Award

Novi Sad / Ilija & Mangelos Fund

National Final Competition as Part of the Banks in Action Programme

Belgrade / Junior Achievement Serbia

New folklore

Travelling exhibition on cultural heritage treasures of Serbia / Belgrade / Cultural Front

Interculturality in Media – journalist training

Novi Sad / Independent Society of Vojvodina journalists

Don't Throw Away! Recycle!

Training on the importance of recycling and placement of recycling containers
Petrovaradin / CA Neighbour





PROJECTS IN COOPERATION WITH PARTNERS

Centrifuge

Grant programme aimed at cultural decentralisation / all places in Serbia in which Erste Bank operates, except Belgrade, Novi Sad and Nis
partner: Balkan Community Initiatives Fund

Club 27

Contest for young talents in the fields of art, social sciences and humanities and natural sciences and the field of engineering and technology
entire Serbia
partner: Balkan Community Initiatives Fund

Share Your Knowledge – Become a Mentor

Belgrade
partners: United States Embassy and the European Movement in Serbia

Inclusive Christmas Bazaar

Novi Sad and Belgrade
partner: Milan Petrović Primary and Secondary School



You are young and creative?
Successful and talented?
Or you know someone who is?
Let everyone know about it!

ERSTE 
BANK
You always come first for us.

GRI Indicators

	Economic Indicators		2011	
EC 1 Core	Economic value generated and distributed	thousands of RSD		
	Total revenues		5,321,896	
	Total costs		3,440,896	
	Operating costs		1,478,896	
	Employee compensation		1,762,104	
	Payments to capital providers		/	
	Payments to governments		/	
	Depreciation costs		172,440	
	Community investments		27,456	
	Environmental Protection			
EN 26 Core	Initiatives to mitigate environmental impacts			
	Initiatives launched in the reporting period aimed at mitigating environmental impacts of products and services	yes/no	Yes	
	Savings made as a result of initiatives launched	RSD		
	Electricity		152,947.95	
	Fuel		1,784,392.75	
	CO ₂		397,664.67	
EN 30 Add	Total environmental protection expenditures	RSD	23,555,926.52	
	Labour Practices and Decent Work			
LA 1 Core	Total workforce by location and gender	number	Men	Women
	Belgrade		135	179
	Novi Sad		135	356
	Other		94	255
	Total		364	790

	Total workforce by employment contract	number	Temporary	Permanent
	Belgrade		12	251
	Novi Sad		17	434
	Other		9	265
	Total		38	950
	Total workforce by employment type	number	Full time	Part time
	Belgrade		262	1
	Novi Sad		450	1
	Other		271	3
	Total		938	5
	Employment structure by type and gender		Men	Women
	Managers		76	87
	Non-managers		206	619
LA 3 Add	Benefits	yes/no		
	Life insurance		Yes	
	Health care		Yes	
	Disability or incapacity benefit		Yes	
	Maternity leave		Yes	
	Retirement benefit		Yes	
	Ownership of shares		Yes	
LA 4 Core	Total number of employees covered by collective bargaining agreements	number	988	
	Percentage of employees covered by collective bargaining agreements	in %	100	
LA 10 Core	Total number of hours of training by employee category	hours		
	Managers		5,549.28	
	Non-managers		16,052.72	
	Average hours of training per year per employee by employee category			
	Managers		34.04	
	Non-managers		19.46	

	Hours of training by gender		Men	Women
	Total number of hours		5,906.5	15,695.5
	Average hours		20.95	22.23
LA 12 Add	Percentage of employees receiving regular performance and career development reviews	in %	93.4	
	Community			
SO 1 Core	Percentage of company sites and operations/activities with implemented local community engagement, impact assessment, and development programs	in %		
	Social impact assessments, including gender impact assessments, based on participatory processes		40	
	Environmental impact assessments and ongoing monitoring		50	
	Public disclosure of results of environmental and social impact assessments		50	
	Local community development programs based on local communities' needs		100	
	Stakeholder engagement plans based on stakeholder mapping		50	
	Broad based local community consultation committees and processes that include vulnerable groups		100	
	Works council and other employee representation bodies to deal with impacts on employees (for example, health and safety at work)		50	
	Formal local community grievance processes		100	
	Product Responsibility			
PR 3 Core	Existence of procedures on providing information on products/services	yes/no		
	Information on deposit/loan type		Yes	
	Information on nominal interest rate level and variability		Yes	
	Information of effective interest rate		Yes	

	Information on the currency in which the deposit/loan is contracted		Yes
	Information on the period for which the deposit/loan is contracted		Yes
	Information on deposit/loan indexation criterion		Yes
	Information on deposit/loan total amount		Yes
	Information on all costs payable by the beneficiary		Yes
	Percentage of products to which these procedures apply *	in %	100
PR 5 Add	Company surveys measuring customer satisfaction	yes/no	Yes
PR 6 Core	Programs for adherence to laws, standards, and voluntary codes related to marketing communications	yes/no	Yes
PR 8 Add	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data		0

*Data refer to deposit and loan products, which are the most common Bank products.

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The bank Is the People! **Erste Bank a. d. Novi Sad** **Corporate Social Responsibility Report 2011**

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Number of copies 1200

Printed by

Stojkov, Novi Sad

CIP – Catalogisation in publication
Matica Srpska Library, Novi Sad

336.712 (497.113 Novi Sad) "2011" (060.55)

Erste Bank (Novi Sad)
The Bank is the People! : Corporate Social
Responsibility Report 2011/ Erste
Bank a.d. Novi Sad – Novi Sad : Erste Bank,
2012
(Novi Sad : Stojkov). – 72 pages : illustr. ; 28
cm

Number of copies 1,200.


ISBN 978-86-912019-5-1

a) Erste Bank (Novi Sad) – Business operation
– 2011
– Reports
COBISS.SR-ID 272498695



This report was printed on FSC-certified paper
produced by controlled forest growth.





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