



INFORMATION PAPER
ON THE OPERATIONS OF THE NATIONAL BANK OF SERBIA

Belgrade, February 2010

Pursuant to Article 39 of the Law on Free Access to Information of Public Importance (RS Official Gazette, no. 120/2004) and with reference to the Guidelines for Publication of Information Papers on Operations of Government Bodies (RS Official Gazette, no. 57/2005), the National Bank of Serbia hereby presents the following

INFORMATION PAPER

1. INFORMATION PAPER on operations of the National Bank of Serbia is a publication that contains relevant data on the competences, organizational structure and operations of the National Bank of Serbia, as well as the manner in which interested persons may exercise their right to information in connection with the activities of the National Bank of Serbia, in compliance with the Law on Free Access to Information of Public Importance.

The Information Paper was first published on 30 November 2005 and posted in an electronic form on the website of the National Bank of Serbia – www.nbs.rs. The Information Paper will be regularly updated by putting in the changes that have occurred and supplements to the contents and data which this publication provides on the operations of the National Bank of Serbia.

The Information Paper was updated on 23 February 2010.

The accuracy and completeness of the data presented in the Information Paper are within the responsibility of Mrs. Bojana Marković-Jager, Advisor at the Governor's Office – Public Relations Section, who was delegated to respond to requests for free access to information of public importance for and on behalf of the National Bank of Serbia by a special Decision of NBS Governor Radovan Jelašić.

COMPETENCES AND RESPONSIBILITIES OF THE NATIONAL BANK OF SERBIA

2. The status, organization, competencies and functions of the National Bank of Serbia, as well as the relationship between the National Bank of Serbia and other bodies of the Republic of Serbia and international organizations and institutions are regulated by the Law on the National Bank of Serbia ("RS Official Gazette," nos. 72/2003 and 55/2004).

The National Bank of Serbia is independent and autonomous in fulfilling its functions stipulated by the Law on the National Bank of Serbia and other legislation, and is accountable for its work to the National Assembly of the Republic of Serbia.

The National Bank of Serbia has the following functions:

- formulation and implementation of the monetary policy;
- autonomous development of the dinar exchange rate policy and determination of the dinar exchange rate regime with the consent of the Government of the Republic of Serbia;
- safeguarding and managing foreign exchange reserves;
- issuing of banknotes and coins;
- regulation, control and promotion of unhindered functioning of internal and external payment operations;
- issuing and revoking of operating licences, carrying out of the supervision of the solvency and legality of the operations of banks and other financial organizations, and the enacting of regulations in that field;
- issuing and revoking of licences and/or authorizations for carrying out insurance operations and the conducting of the insurance supervision in compliance with the law governing insurance operations;
- issuing and revoking of operating licences to the companies for the management of voluntary pension funds and the conducting of the supervision of the performing of this activity in compliance with the law that regulates the activity of the companies for the management of voluntary pension funds;
- issuing and revoking of operating licences for carrying out financial leasing activity and the conducting of the supervision of the performing of this activity in compliance with the law that regulates the performing of financial leasing activity;
- performing statutory tasks for the Republic of Serbia;
- performing other tasks specified in the Law on the National Bank of Serbia and other legislation in accordance with the principles of central banking.

- **In the sphere of the formulation of the monetary policy**, the National Bank of Serbia draws up the National Bank of Serbia monetary policy programme for the current calendar year and among other things it establishes the following:

- conditions and the manner of issuing short-term securities (Decision on the conditions and the manner in which the National Bank of Serbia issues and sells short-term securities);
- conditions and the manner under which the National Bank of Serbia carries out operations at the open market (Decision on the conditions and the manner in which the National Bank of Serbia carries out operations at the open market);
- interest rates of the National Bank of Serbia (Decision on the level of the National Bank of Serbia's reference interest rate on the basis of the operations at the money market, Decision on the interest rates applied by the National Bank of Serbia when implementing monetary policy, etc.);
- conditions in connection with the appropriation and utilization of the banks' mandatory reserve (Decision on the banks' mandatory reserve held at the National Bank of Serbia);
- conditions and the manner of approving credit facilities (Decision on the conditions and manner of approving credits for maintaining daily liquidity of banks on the basis of securities pledge);
- conditions and the manner of approving deposit facilities (Decision on the conditions and the manner of depositing surplus liquid assets at the National Bank of Serbia);

- measures for maintaining liquidity of banks (Decision on the conditions of approving credits for the maintaining of the liquidity of banks);

- it may also establish other monetary policy instruments and measures.

- **The manner of managing foreign reserves** is established each year by the Monetary Committee of the NBS which takes the Decision on the establishment of guidelines for managing the NBS foreign reserves for the following year, on the basis of the proposal from the Investment Committee, a standing working body of the NBS. The Decision regulates the criteria for the placement of foreign reserves, investment strategy for managing foreign reserves, currency and maturity structures of the reserves, banks at which foreign reserves are placed, limits by banks, assets categories, etc. (The Decision is confidential by its character).

When placing foreign reserves, the NBS is governed by the principles of security, liquidity and cost-effectiveness.

- **In the sphere of the issuing of banknotes and coins** the authorities are as follows:

- development of the plan for the production of the additional quantity of banknotes and coins in order to meet the needs of the cash payment operations and in order to ensure optimal scope, quality and denomination structure of the money in circulation,

- taking of the decisions on the issuing and basic markings of the banknotes and coins, decisions on putting banknotes and coins into circulation, decision on the withdrawal of banknotes and coins from circulation,

- taking of the Decision on the manner of managing cash flows by supplying banks with banknotes and coins, Implementation Instructions for the manner of managing cash flows by supplying banks with banknotes and coins, Decision on the manner of performing activities in connection with hard foreign currency between the National Bank of Serbia and banks,

- taking of the Decision on the uniform tariff at which the NBS charges the fees for performed services.

- **Regulation, control and promotion of the internal and external payment operations functioning** are implemented by the National Bank of Serbia on the basis of the Law on Payment Operations by enacting by-laws (decisions, guidelines, instructions and operational rules) by which it regulates: form, contents and manner of using unique payment operations instruments, manner of conducting accounting and clearing, unique structure of the account for performing payment operations, conditions and manner of opening, keeping and liquidating an account at a bank, conditions and manner of paying in cash in dinars, electronic manner of conducting payment operations, manner of executing control of payment operations at a bank, keeping unique account register, etc.

In line with its obligation to promote payment operations in the country and with the aim to achieve as much efficiency and reliability of the payment system as possible, when developing measures for regulating the payment system, the National Bank of Serbia applies contemporary technical and technological solutions, relevant international standards and best practice.

In connection with this, and on the basis of the authorities under the Law on Payment Operations, the National Bank of Serbia is also the RTGS and clearing system operator for the accounting of inter-bank payments realized in compliance with their time plan. The stated systems are marked by exceptionally high efficiency, reliability and availability which earned them the highest marks of the relevant international institutions.

- **In the sphere of the supervision of banks** the National Bank of Serbia, in compliance with the Law on Banks and the relevant by-laws, executes direct and indirect supervision of the solvency and the legality of the operations of banks; it pronounces temporary and correctional measures to banks in order for them to eliminate irregularities that have been observed in their operations; it issues and revokes operating licences for banks; it gives prior consent to the act of incorporation and the bank's statute proposal, as well as their amendments and supplements; it gives consent for the acquisition of ownership in banks; it gives consent for the acquisition of bank's own shares; it gives prior consent to the appointment of members of managing and executive boards of banks; it gives consent to mergers and acquisitions of banks, as well as to the taking over of rights and liabilities of a bank undergoing bankruptcy or liquidation; it gives consent to the founding or acquiring of a subsidiary company of a bank in the Republic of Serbia or abroad; it gives consent to the bank that it need not include the subsidiary company into the consolidated financial statement of the banking group or in the annual audit of the financial statements of the banking group on consolidated grounds; it gives prior approval for the distribution of a bank's profit through the payment of dividends to its shareholders or through the payment of the share in the profit, or of other giving from the profit of the bank to members of the management bodies and employees at the bank; it gives consent to the inclusion of subordinated liabilities of a bank into supplementary capital of the bank; it gives consent to exclusion of claims secured by unconditional and irrevocable guarantee, payable at first call, from the accounting of the total exposure of the bank towards one entity or a group of associated entities; it enacts a list of external auditors that may carry out audit of financial statements of a bank.

The orders enacted by the National Bank of Serbia are final and an administrative dispute may be initiated against them before the Supreme Court of Serbia.

The National Bank also has the authority and obligation to enact by-laws that regulate: more detailed conditions and the manner of giving preliminary approval for the founding a bank and operating licence for a bank, as well as other consents and approvals in connection with the operations of banks; more detailed conditions and the manner of calculating capital of a bank, as well as indicators of the adequacy of a bank's capital and all the elements of that indicator; more detailed conditions and the manner of identification, measuring and assessment of risks to which a bank is exposed in its operations, as well as risk management, including also the manner of calculating individual indicators of a bank's operations in connection with risk management and the limitations that relate to risks; more detailed conditions and the manner of classification of balance-sheet assets and off-balance sheet items of a bank, as well as the manner of calculating and recording reserves for estimated losses that may occur on the basis of balance-sheet assets and off-balance sheet items of a bank; manner, form and deadlines for reports submitted by banks on individual indicators of operations in connection with risk management, as well as the contents and form of reports on operations which banks are under obligation to submit to the National Bank of Serbia; criteria on the basis of which it prepares a list of external auditors that may carry out audit of financial statements of a bank, as well as minimum

scope and contents of the external auditor's report on the audit of financial statements of a bank; unique way of accounting and announcing bank service costs, interests and fees, particularly with regards to deposit and credit operations (effective interests rates), as well as more detailed conditions and manner of informing bank's clients, and it controls their application; more detailed conditions and manner of carrying out supervision of solvency and legality of banks' operations, as well as undertaking measures against banks while conducting this supervision, conditions and the manner of carrying out supervision of a bank group on consolidated grounds, preparation and submission of consolidated financial statements of the bank group, as well as risk management at the level of the bank group.

The data on the given or revoked operating licences for banks, on given prior consents on the appointment of members of managing and executive boards of a bank, as well as the data on the ownership structure of banks are published on the site of the National Bank of Serbia.

- In **compliance with the Law on Insurance**, the National Bank of Serbia has the following authorities:

- it pronounces supervision measures (measures for eliminating illegalities and irregularities; measures due to failure to act in compliance with the risk management rules; transfer of insurance portfolio; taking control over operations of an insurance company; revoking of licence; temporary measures and measures against members of the management, members of the supervisory board, persons with special authorities and qualified stakeholders);

- it issues licences for performing insurance, reinsurance, brokerage and representing operations in insurance and activities directly linked with insurance operations;

- it gives consent to acts and actions prescribed by the Law, as follows: to acquiring qualified stake; to investments in other legal entities; to deposits and investments of funds abroad; to overrunning limitations of certain forms of deposits and investments of technical reserves and to highest amounts of individual deposits and investments of guaranteed reserve; to performing the function of a director, member of managing board and member of supervisory board; to the change of business name and seat; consent to extraordinary management for taking decisions that fall under the competencies of the management bodies of the insurance company; to disposing with property and implementing decision of the managing board and the assembly of the insurance company when a temporary measure has been proclaimed for the company; to the appointment of auditor; to the transfer of insurance portfolio and to the status changes and changes in the form of organization;

- it processes statistical and other data used for the preparation of technical bases and premium tariffs, and for performing actuary tasks and it analyses the insurance market by applying official statistical data;

- it keeps a registry of data on insurance companies and other supervision subjects.

In addition to the afore-mentioned activities, the National Bank of Serbia also provides its opinion, positions, explanations and information concerning the issues in connection with the enforcement of regulations in the field of insurance.

- In **connection with regulatory authorities on the basis of the Law on Voluntary Pension Funds** and pension plans, the National Bank of Serbia has the authority and obligation to regulate the following using by-laws: maximum amount for the investment of voluntary pension fund assets; manner of calculating a company's fee for managing voluntary pension funds; manner of estimating and calculating market and net value of the voluntary pension fund assets; yield of a voluntary pension fund; contents and form of financial statements of a company for management and funds; frequency, manner and standardized form of a custody bank reporting; manner of carrying out supervision of a company for managing a voluntary pension fund; chart of accounts for companies for managing voluntary pension funds and chart of accounts for voluntary pension funds; contents of auditors' reports; more detailed contents and standardized form of a voluntary pension fund membership contract; more detailed contents and standardized form of a voluntary pension fund prospect; procedure for opening and maintaining individual account of members of a voluntary pension fund; advertising of voluntary pension funds; methodology for aligning operations of an insurance company with the Law on Voluntary Pension Funds and Pension Plans; types of financial institutions that may be brokers of companies for managing voluntary pension fund; rules for identifying, measuring and controlling risk in the operations of a company for managing voluntary pension fund.

In addition to the afore-mentioned, the National Bank of Serbia, under the Law on Voluntary Pension Funds and Pension Plans, is under obligation to keep a registry of voluntary pension funds and to keep records of brokers and natural persons with licences for performing information activities.

According to the **Law on Financial Leasing**, the National Bank of Serbia is authorized to enact regulations that govern the following in more details: conditions for the issuing of a licence for performing financial leasing operations and for giving consent to the decisions by which directors or members of the managing board of the financial lessor are appointed (Decision on the implementation of the provisions of the Law on Financial Leasing that relate to the issuance of licences and giving consent of the NBS); minimal conditions for the conclusion of financial leasing contract (Decision on the minimal conditions for the conclusion of financial leasing contract and the manner of expressing leasing fee and other costs created through the conclusion of that contract); undertaking measures against lessors in the cases when a supervision has determined illegalities and irregularities in their operations (Decision on more detailed conditions and the manner of carrying out supervision of lessors' operations); conditions under which lessors have an obligation to appropriate reserve funds, procedure and manner of appropriating the funds and informing the NBS on the appropriated reserve funds (Decision on the obligation of a lessor to keep reserve funds); data which a lessor submits to the NBS, as well as the manner and deadlines for the submission of those data (Decision on the data which a lessor submits to the NBS, and the manner and deadlines for the submission of those data).

In compliance with the Law on Financial Leasing and the stated by-laws, the National Bank of Serbia enacts orders by which it decides on the application for the issuance of a licence for financial leasing operations, as well as on the applications for giving consent to the decisions by which directors or members of the lessor's managing board are appointed. The stated orders are enacted within the period prescribed by the law. Taking into account that the order of the National Bank of Serbia is final, there is no regular legal remedy against it, but an administrative dispute may be initiated against it before the competent court. Also, a supervision procedure is carried out as regards the operations of

a lessor, as follows: indirectly – by controlling reports and other documentation, as well as other data which the lessor has submitted to the National Bank of Serbia, and directly – by inspecting business books and other documentation of the lessor. Regularity and legality of the lessor's operations are assessed during the supervision. If illegalities and irregularities are established during the supervision, the National Bank of Serbia may undertake some of the measures prescribed by the law, including also the revoking of the licence. The measures are enacted in the form of orders against which no complaint may be filed, but an administrative dispute may be initiated by filing a lawsuit to the competent court.

The data on the issued or revoked operating licences for financial lessors, on the given consents to the decisions on the appointment of directors or members of the managing board at a financial lessor are published on the site of the National Bank of Serbia.

In addition to the above scope of competences and other responsibilities defined in the Law on the National Bank of Serbia, the laws listed below also prescribe the competences and responsibilities of the National Bank of Serbia:

- Law on Banks ("RS Official Gazette," no. 107/2005);
- Law on Foreign Exchange Operations ("RS Official Gazette," no. 62/2006);
- Insurance Law ("RS Official Gazette," no. 55/2004 and 61/2005);
- Law on Compulsory Traffic Insurance ("RS Official Gazette", no. 51/2009);
- Law on Bankruptcy and Liquidation of Banks and Insurance Companies ("RS Official Gazette," no. 61/2005);
- Law on Payment Operations ("FRY Official Gazette," no. 3/2002 and 5/2003, and "RS Official Gazette," no. 43/2004 and 62/2006);
- Law on Commemorative Coins ("RS Official Gazette," no. 46/96);
- Law on Regulation of the Public Debt of the Federal Republic of Yugoslavia in Respect of Household Frozen Foreign Currency Savings Deposits ("FRY Official Gazette," no. 36/2002);
- Law on Regulation of the Public Debt of the Federal Republic of Yugoslavia Under Agreements on Household Foreign Currency Deposits Termed with Dabim Bank, a.d. Belgrade in Liquidation and Under Household Foreign Currency Deposits with Banka privatne privrede Crne Gore, d.d. Podgorica ("FRY Official Gazette," no. 36/2002);
- Law on Public Debt ("RS Official Gazette," no. 61/2005);
- Law on Deposit Insurance Agency ("RS Official Gazette," no. 61/2005);
- Law on Accounting and Auditing ("RS Official Gazette," no. 46/2006);
- Law on the Market of Securities and Other Financial Instruments ("FRY Official Gazette," no. 65/2002 and "RS Official Gazette," no. 57/2003, 55/2004 and 45/2005);
- Financial Leasing Law ("RS Official Gazette," no. 55/2003 and 61/2005);
- Law on Deposit Insurance ("RS Official Gazette," no. 61/2005);
- Law on Voluntary Pension Funds and Pension Schemes ("RS Official Gazette," no. 85/2005),
- Law on Anti-Money Laundering and Counter-Terrorism Financing ("RS Official Gazette", no. 20/2009).

The scope of competences of the National Bank of Serbia is defined both by the laws referred to in item 2, paragraph 3 hereof and by subordinate legislation.

GOVERNING BODIES OF THE NATIONAL OF BANK OF SERBIA AND THEIR COMPETENCES

3. The governing bodies of the National Bank of Serbia comprise:

- **Monetary Policy Committee,**
- **Governor, and**
- **Council.**

The Monetary Policy Committee comprises the Governor, Mr. Radovan Jelašić, and the Vice-Governors of the National Bank of Serbia, Mrs. Ana Gligorijević, Mrs. Mira Erić-Jović and Mr. Bojan Marković.

The **Monetary Policy Committee** is responsible for the formulation of the monetary policy and, in particular, the formulation of conditions and manner of issuing short-term securities, conditions and manner under which the National Bank of Serbia conducts open market operations and performance of discount operations. It also defines the policy of short-term lending, dinar exchange rate policy, dinar exchange rate regime (subject to approval of the Government of the Republic of Serbia), the manner of managing foreign exchange reserves, it sets the discount rate and other interest rates of the National Bank of Serbia, the reserving base for the calculation of required reserves and the reserve requirement ratio. The Monetary Policy Committee determines the manner, conditions and deadlines for appropriations and use of banks' required reserves held with the National Bank of Serbia, as well as the measures for maintaining liquidity of banks and other financial organizations.

Meetings of the Monetary Policy Committee are held if at least two thirds of its members are present. The Monetary Policy Committee takes decisions on the basis of the majority of votes cast and, in the case of a tie, the Governor's vote decides. Meetings of the Monetary Policy Committee are chaired by the Governor.

The Governor of the National Bank of Serbia is Radovan Jelašić. Mr. Jelašić was appointed by the National Assembly of the Republic of Serbia by the Decision on the Election of the Governor of the National Bank of Serbia ("RS Official Gazette," no. 18/2004) for a term of five years, with the right to re-election.

The Governor is in charge of and responsible for the accomplishment of the objectives of the National Bank of Serbia, and in particular for the implementation of decisions of the Monetary Policy Committee and the NBS Council, for the organization and operations of the National Bank of Serbia, drafting legislation falling under the competence of the NBS, enacting legislation that falls under the competence of the National Bank of Serbia but not under the scope of activities of the Monetary Policy Committee and the Council, and for other activities as defined by the Law on the NBS and other legislation, but without prejudice to the key objective referred to in Article 3 of the Law on the NBS.

To enable the performance of activities falling under the competences of the NBS, the Governor adopts regulations, and other general and specific legislation, unless otherwise stipulated by the Law on the NBS. The regulations and general legislation enacted by the Governor are published in the “RS Official Gazette.”

The NBS Council was elected by the National Assembly of the Republic of Serbia (“RS Official Gazette,” nos. 18/2004 and 29/2004) and consists of the Chairman, Dejan Šoškić (elected for a 5-year term), and the following members: Zorica Mladenović (elected for a 5-year term), Milojko Arsić (elected for a 5-year term), Kosta L. Josifidis (elected for a 5-year term) and Nenad Vunjak (elected for the period lasting until 10th July, 2011).

Upon the Governor’s proposal, the **Council** adopts a financial plan and annual statement of accounts of the National Bank of Serbia, sets the level of fees for services provided by the National Bank of Serbia, specifies salary levels for the Governor and the Vice-Governors, creates a list of job positions carrying special responsibility and the criteria for setting wage levels for employees with special responsibilities in the National Bank of Serbia, and it appoints a certified auditor. In addition to the above, at least once a year the Council submits a report on its operations to the National Assembly of the Republic of Serbia. It also submits the annual statement of accounts of the National Bank of Serbia, with the certified auditor’s report enclosed, to the National Assembly of the Republic of Serbia by 30th June of the subsequent year. The Council submits a report by which it is determined if the Governor’s term in office has expired and/or if the conditions for the removal of the Governor from office are met to the Finance Committee of the National Assembly of the Republic of Serbia.

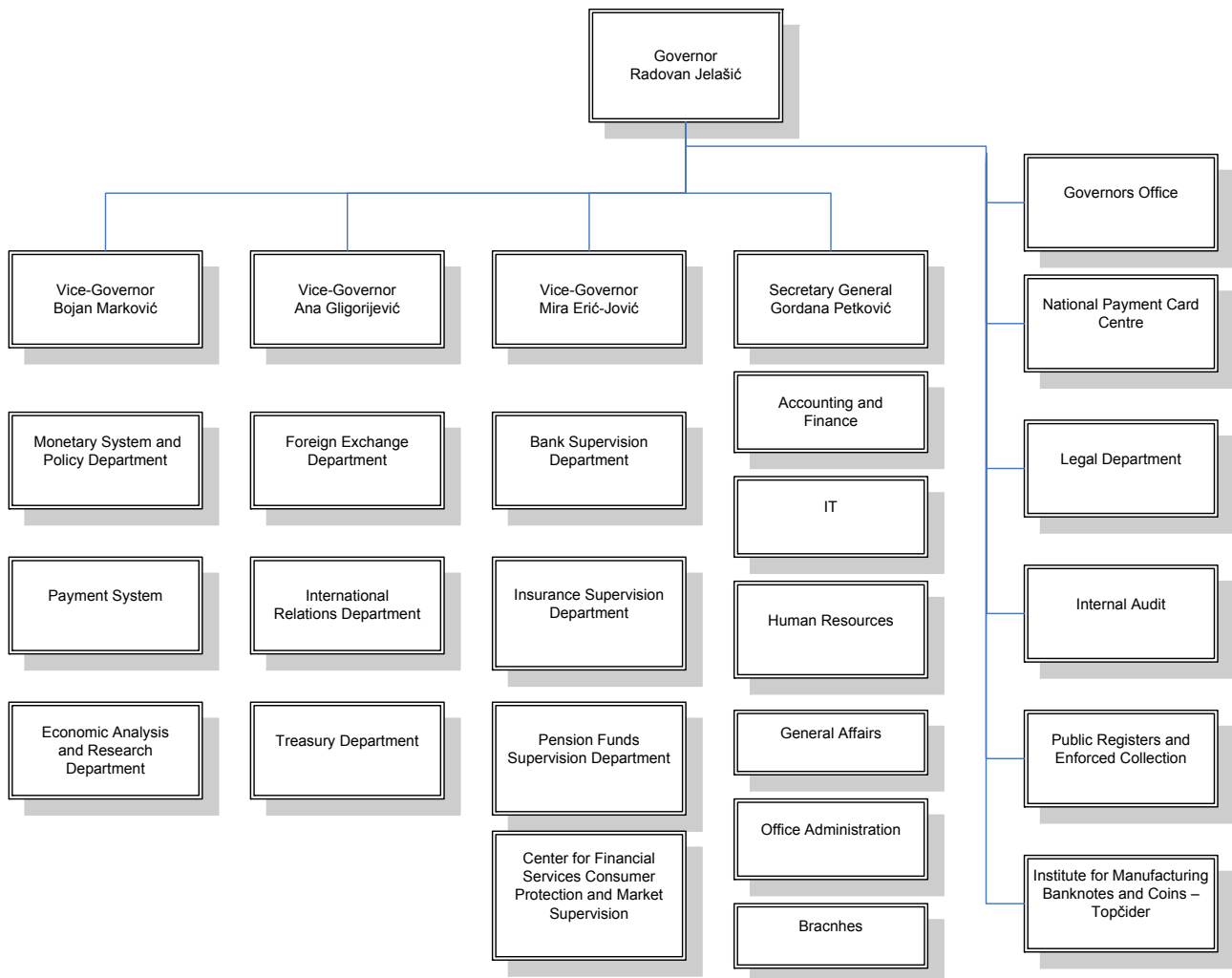
The Council analyzes the report referred to in Article 18 of the Law on the NBS and issues an opinion thereon at its quarterly meeting.

The Council decides at meetings by the majority of votes of the total number of Council members.

The operations of the NBS Council and in particular the manner of convening and holding meetings, setting of agenda, rendering of decisions, keeping of minutes and shorthand records, and other issues related to operations of the Council are defined by the Rules of Procedure of the Council of the National Bank of Serbia (SNB no. 1 of 15th August, 2003). Attendance at meetings of the Monetary Policy Committee and the Council of the National Bank of Serbia is defined by the Statute of the National Bank of Serbia and the Rules of Procedure of the Council of the National Bank of Serbia.

The Monetary Policy Committee and the Council enact general legislation and the majority of these acts are published in “RS Official Gazette.”

ORGANIZATIONAL STRUCTURE OF THE NATIONAL BANK OF SERBIA



4. The above graphic representation of the NBS’s organizational structure gives a clear picture of the relationship between different operational units of the National Bank of Serbia and is posted on the NBS website. The Internet, Intranet and Publications Section of the Communications Department at the Cabinet of the Governor is in charge of regular updates of the website.

The National Bank of Serbia is organized into seven main organizational units and one specialized organization:

- Head Office of the National Bank of Serbia,
- Belgrade Branch,
- Novi Sad Branch,
- Priština Branch,
- Niš Branch,
- Kragujevac Branch,
- Užice Branch, and
- Institute for Manufacturing Banknotes and Coins – Topčider.

As at 31st December 2009, there were 2,288 employees at the National Bank of Serbia (main organizational units and specialized organization). According to the act on the job position systematization, all of the systematized positions are filled.

**Comparative overview of the number of employees
at the National Bank of Serbia**

Main organizational units	Number of employees as at 31 Dec 2008	Number of employees as at 31 Dec 2009	% reduction (3-2)/2
1	2	3	4
NBS – Head Office	1,282	1,249	-2.57
Belgrade Branch	188	109	-42.02
Novi Sad Branch	136	115	-15.44
Pristina Branch	3	3	0.00
Nis Branch	93	75	-19.35
Kragujevac Branch	90	65	-27.78
Uzice Branch	58	31	-46.55
ZIN	673	641	-4.75
Total NBS:	2,523	2,288	-9.31

Source: National Bank of Serbia – Human Resources.

The main organizational units and the specialized organization perform a number of interrelated activities, such as: research and analysis, normative and legal activities, control and supervision, management, financial and material operations, information technology, documentation, statistics and record-keeping, expert and operational activities, handicraft operations, operational and technical services, and office and handling activities.

The main organizational units and the specialized organization are further divided into independent organizational units, as follows:

- at the Head Office:

- departments (Monetary System and Policy Department, Economic Analysis and Research Department, Foreign Exchange Department, Bank Supervision Department, Insurance Supervision Department, Pension Fund Supervision Department, International Relations Department, Payment system Department, Treasury Department), directorates (Public Registers and Enforced Collections Directorate, Legal Directorate), centres (Centre for Financial Services Consumer Protection and Market Supervision, National Payment Cards Centre), Internal Audit, Governor's Office, Accounting and Finance, Information Technology, HR services, General Affairs and Office Administration;

- at Belgrade and Uzice branches:

- departments (Treasury and Cash Operations Department),

- at Novi Sad, Nis and Kragujevac branches:

- departments (Treasury and Cash Operations Department, Payment Operations and Exchange Operations Direct Control Department),
- at the Institute for Manufacturing Banknotes and Coins – Topcider:
 - centres (Quality Centre, Development Centre, Manufacturing and Personalization Centre), directorates (Preparation Directorate, Banknotes Manufacturing Directorate, Coins Manufacturing Directorate, Debentures and Embossed Papers Directorate, Maintenance and Energy Supply Directorate, Sales Directorate, Procurement Directorate) and departments (Manufacturing of Cash and Other Valuables Control Department, Economic and Financial Affairs Department, Legal, Human Resources and General Affairs Department).

Secretary General coordinates the activities of autonomous organizational units at the NBS Head Office such as accounting and finance, information technology, human resources, office administration and general affairs.

General Manager may give an order for the execution of a certain activity from the scope of activities of his/her organizational unit to another autonomous or more-narrow organizational unit at a branch office via the respective Branch Manager.

The Governor or a person he authorizes may enact an instruction which sets out the manner of executing operations and mutual connections between the organizational units at the Head Office and an organizational unit at a branch office.

The list of managers of autonomous organizational units and their functions at the Head Office, branch offices and the specialized organization are presented on the front page of the National Bank of Serbia's website – Contact and they are as follows:

FUNCTIONARIES

Ravovan Jelašić, Governor,
Mira Erić Jović, Vice-Governor,
Ana Gligorijević, Vice-Governor,
Bojan Marković, Vice-Governor,
Gordana Petković, Secretary General,
Dragan Radović, Deputy Secretary General.

HEAD OFFICE – MANAGERS OF AUTONOMOUS ORGANIZATIONAL UNITS

Veselin Pješčić, General Manager of the Monetary System and Policy Department,
Predrag Đumić, Deputy General Manager of the Monetary System and Policy Department,

Aleksandra Kilibarda, General Manager of the Foreign Exchange Department,
Edo Iglič, Deputy General Manager of the Foreign Exchange Department,

Slavica Radojević, General Manager of the International Relations Department,
Svetlana Bajić, Deputy General Manager of the International Relations Department,

Svetlana Gospić, General Manager of the Bank Supervision Department,

Djordje Jevtić, Deputy General Manager of the Bank Supervision Department,

Slavomir Stojkov, General Manager of the Insurance Supervision Department,

Kristian Vukojičić, Deputy General Manager of the Pension Funds Supervision Department,

Snežana Zeković, General Manager of the Payment System Department,
Draško Vasiljević, Deputy General Manager of the Payment System Department,

Sandra Hadži Ristić, Deputy General Manager of the National Payment Card Centre,

Radica Dimitrijević, Deputy General Manager of the Centre for Financial Services Consumer Protection and Market Supervision,

Dušan Lalić, General Manager of the Legal Directorate,
Milan Mirkov, Deputy General Manager of the Legal Directorate,

Gorica Lukić, General Manager of the Internal Audit Department,
Nenad Ignjatović, Deputy General Manager of the Internal Audit Department,

Branko Hinić, General Manager of the Economic Analyses and Research Department,
Marina Mladenović Komatina, Deputy General Manager of the Economic Analyses and Research Department,

Blaženka Robović, General Manager of the Treasury Department,
Miroslav Jeremić, Deputy General Manager of the Treasury Department,

Ivan Rangelov, Manager of Accounting and Finance,
Vesna Kovačević, Assistant Manager of Accounting and Finance,

Nenad Novović, Manager of IT,
Jelena Radovanović, Assistant Manager of IT,

Jelena Gajević, Manager of Human Resources,

Svetlana Ilijašević, Manager of General Affairs,
Ljiljana Stanojević, Assistant Manager of General Affairs,

Dragan Radović, Manager of Office Administration
Zoran Mirković, Assistant Manager of Office Administration.

MANAGERS OF BRANCH OFFICES AND THE INSTITUTE FOR MANUFACTURING BANKNOTES AND COINS

Vera Pantović, Branch Manager in Belgrade,

Ksenija Jokić, Branch Manager in Novi Sad,

Ivanka Trbić, Assistant Manager of the Branch in Novi Sad,

Nadežda Simonović, Branch Manager in Niš,

Suzana Marinković, Assistant Manager of the Branch in Niš,

Vladan Vulović, Branch Manager in Kragujevac,

Mileva Banković, Assistant Manager of the Branch in Kragujevac,

Zorica Jović, Branch Manager in Užice,

Ljubiša Vuletić, General Manager of the ZIN,

Nebojša Djurović, Deputy General Manager of the ZIN,

Ivan Drecun, Assistant General Manager of the ZIN.

FINANCIAL PLAN OF THE NATIONAL BANK OF SERBIA FOR 2010

5. The adopted financial plan of the NBS for the year 2010 puts total operating income at RSD 38,943,141,400, and total operating expenses at RSD 37,553,033,200. According to the NBS financial plan for this year, the surplus of operating income over expenses should stand at RSD 1,390,108,200 (Income Schedule is enclosed as Annex 1 and Expenses Schedule as Annex 2 to this Information Paper). Spreadsheet overview of planned investments in the procurement of fixed assets, intangible assets and long-term investments of the National Bank of Serbia in 2010 is enclosed as Annex 3 to this Information Paper.

Pursuant to the Law on the National Bank of Serbia ("RS Official Gazette," nos. 72/2003 and 55/2004), the NBS submits its financial statements for the previous year to the National Assembly by 30th June of the current year at the latest, together with an Independent Auditor's Opinion. In compliance with this legal obligation, the National Bank of Serbia's financial statements for the year 2009 will be posted on its website, page: About the NBS – Central Bank Operations, after their submission to the National Assembly. The data on the realized income and expenses of the National Bank of Serbia for 2009 will also be posted on the National Bank of Serbia's website (as Annex to this Information Paper) following the completion of financial statements audit.

Data on capital assets, investment works and intangible investments for the previous year are updated by 30th June of the current year after regular annual inventory count and audit of financial statements.

EXERCISE OF PUBLIC RESPONSIBILITIES OF THE NATIONAL BANK OF SERBIA

6. The National Bank of Serbia provides a range of services falling under its competences to banks, legal entities and government bodies and organizations, which are defined primarily by the Law on the National Bank of Serbia, as well as by other laws. The Decision on Uniform Fees Charged for Services Provided by the

National Bank of Serbia posted on the website of the National Bank of Serbia defines the types of services charged for by the National Bank, as well as specifying the users of such services and the manner of their provision.

As, subject to laws referred to in item 2 of this Information Paper, the National Bank of Serbia is in charge of exercising public responsibilities, it decides on certain rights and legal interests of legal entities and natural persons. Decisions rendered by the National Bank of Serbia as a result of decision-making pursuant to the above laws are deemed final in any administrative dispute, which means that these laws exclude the right of appeal to a decision of the National Bank of Serbia.

What follows is a summary of only the most important and most frequent procedures and actions which the National Bank of Serbia takes in response to applications of legal entities and natural persons when it is in charge of decision-making in the exercise of public responsibilities:

a) The Law on Banks sets out that the National Bank of Serbia is in charge of issuing provisional bank founding licence, as well as full operating licence.

Potential bank founders are required to submit to the National Bank of Serbia an application for provisional bank founding licence, along with prescribed documentation. The NBS decides on this application within 90 days from the day of receiving a duly submitted application. Within 60 days from the day of receiving a provisional bank founding licence, bank founders are required to submit to the National Bank of Serbia an application for a full operating licence with prescribed documentation, as otherwise, the provisional licence will cease to be valid. The NBS will decide on issuing a full operating licence within 30 days from the day of receiving a duly submitted application. The decision on issuing a full operating licence is published in "The Official Gazette of the Republic of Serbia".

In addition, the National Bank of Serbia is in charge of issuing approval of the bank's founding deed and articles of association, and any amendments and supplements thereto; approval of the appointment of members of managing and executive boards; approval to acquire ownership in a bank which confers 5% to 20%, over 20% to 33%, over 33% to 50% and over 50% of voting rights on a single person; approval to acquire own shares, etc.

The Decision on Implementing the Provisions of the Law on Banks Relating to Granting of a Provisional Bank Founding Permit and Subsequent Issuing of a Full Operating Licence to a Bank as well as on Implementing Specific Provisions Relating to Granting Approvals of the National Bank of Serbia ("RS Official Gazette," no. 51/2006) regulates in more detail the implementation of the provisions of the Law on Banks that refer to the submission of applications and documentation to the NBS for the purpose of obtaining provisional bank founding permit and banking licence, and the submission of applications and documentation for the purpose of obtaining other approvals.

b) The Insurance Law and the resulting secondary legislation place the National Bank of Serbia in charge of deciding on the applications for insurance and reinsurance licences, submitted by founders of insurance joint-stock companies or submitted on founders' behalf

by their authorized persons. In addition to the above, founders of insurance brokerage companies are required to submit an application for an insurance brokerage licence to the National Bank of Serbia, whereas in order to get the insurance agency licence, legal entities and natural persons need to submit an application for an insurance agency licence to the National Bank of Serbia. Further, agencies for the provision of other insurance services should also submit an application to the National Bank of Serbia for a licence to provide such services. The National Bank of Serbia decides on submitted applications in the prescribed procedure and renders a decision within legally prescribed time frames following the day of receipt of the application. NBS decision is final and the applicant may initiate an administrative procedure against such decision before the Supreme Court of Serbia.

The Decision on the Implementation of the Provisions of the Insurance Law Relating to Issuance of Licences and Approvals of the National Bank of Serbia ("RS Official Gazette", No. 42/2005) regulates in more detail the manner of implementing the provisions of the Insurance Law that relate to the submission of applications and documentation to the National Bank of Serbia for the purpose of obtaining licences and approvals subject to the above law.

c) Subject to the **Financial Leasing Law** and resulting regulations, founders of a company should submit an application for a financial leasing licence along with prescribed documentation to the National Bank of Serbia. The National Bank of Serbia decides on the submitted application in the prescribed procedure and takes a decision within the legally prescribed time frame. The decision rendered is final and founders of the company may initiate an administrative procedure against it before the Supreme Court of Serbia. In addition, the National Bank of Serbia also decides on the application of the founder of the company, or lessor, for an approval of appointment of members of management bodies and persons with special authorizations and responsibilities, which application should be submitted along with prescribed documentation.

The Decision on the Implementation of the Provisions of the Financial Leasing Law Relating to the Issuance of Licences and Approvals of the National Bank of Serbia ("RS Official Gazette," no. 82/2005) regulates in more detail the manner of implementation of the provisions of the Financial Leasing Law which refer to the submission of applications and documentation necessary for issuance of licences and approvals to the National Bank of Serbia in compliance with that law.

d) Subject to the **Law on Voluntary Pension Funds and Pension Schemes** (applying as of 1st April, 2006), founders of voluntary pension fund management companies (domestic and foreign natural persons and legal entities) should submit an application for an operating licence and application for fund management, with prescribed documentation, to the National Bank of Serbia. In the prescribed procedure and within the time frames specified in the law, the National Bank will take a decision which is final and against which an administrative procedure before the Supreme Court of Serbia can be initiated. Concurrently with rendering a decision on the issuance of an operating licence and the decision on fund management, the National Bank of Serbia will also decide on granting the approval of appointment of proposed members of management and directors of a voluntary pension fund management company. Following the application of the management company, the National Bank of Serbia issues licences for company merger, in conformity with the legally prescribed procedure. In addition, upon an application of the

management company, the National Bank of Serbia can issue approval of acquisition of the company's shares based on which an entity may directly or indirectly acquire a qualified stake in the company, as well as issuing approvals in other cases stipulated by the law.

TYPES OF INFORMATION AND THEIR SAFEKEEPING

7. The manner of managing office operations at the National Bank of Serbia, that is, the managing of types of documents and records, receiving, opening, inspecting and distributing mail submitted to the National Bank of Serbia, registering documents and files and their submission for work, administrative and technical processing of documents, dispatching mail from the National Bank of Serbia, archiving of documents and files and safekeeping of archived files in clerk's offices of NBS organisational units are regulated by the Rulebook on Office Administration at the National Bank of Serbia, G.no. 10389 of 13 November 2009.

Office administration at the National Bank of Serbia is done at central clerk's offices of the Head Office (Kralja Petra 12 and Nemanjina 17), clerk's offices of the branches in Belgrade, Novi Sad, Nis, Kragujevac and Uzice, clerk's office of the Institute for Manufacturing Banknotes and Coins – Topcider, and 75 more clerk's offices of autonomous organizational units and more narrow organizational units of the Head Office, on the basis of the system of cardinal numbers and sub-numbers.

Central clerk's offices register the mail in the Mail Reference Register, as records on the documents received and distributed at the National Bank of Serbia, while other clerk's offices keep basic records (reference registers or confidential reference registers and other special and auxiliary records) in line with the Decision on the Books of Records and the Plan of Archive Classification Marks at the National Bank of Serbia which the Governor enacts at the end of each year for the following year. A list of documents is kept as auxiliary records for the documents which are created in large numbers or are received at an organizational unit.

Mail is dispatched from the National Bank of Serbia by organisational units of the Head Office, branches and Institute for Manufacturing Banknotes and Coins that are in charge of mail dispatching in line with regulations on postal services. These units keep the relevant auxiliary records (dispatch register and postage checklist).

By way of exception, organisational units that have separate business premises and that keep a special mail reference register, organisational units whose clerk's offices work longer than the central clerk's office, as well as organisational units that receive „recorded delivery and insured parcels“ – may organise the receipt and dispatch of external mail in their own clerk's offices.

The registering and archiving of documents and files at the clerk's offices of the National Bank of Serbia is done by employees delegated for these tasks. The registering of documents at the National Bank of Serbia is done by listing them in the records book or putting the data in the database (electronic reference register). These records are kept in electronic form as stipulated by the Decision on Record Books.

As of 1 January 2010, clerk's offices of organisational units keep their mail reference registers exclusively in electronic form by using the e-document management system. These registers are mutually connected so as to facilitate receipt and dispatch of internal NBS documents which are created and signed exclusively in electronic form. The creation and signing of internal correspondence documents is regulated by the Decision on Documents Created and Signed in Electronic Form in the National Bank of Serbia G.no. 11541 of 25 December 2009 and G.no. 3347 of 9 February 2010.

By virtue of the Decision of the Ministry of Telecommunications and Information Society, issued on 31 March 2009, the National Bank of Serbia is entered in the Records of Certification Bodies kept by that Ministry.

At the end of a calendar year, the reference register is concluded, and/or printed and concluded with an official note underneath the last cardinal number in the reference register. The official note is dated and signed by the employee who has kept the records and by the manager of the organizational unit to which the records belong. Thus certified records are kept together with the registry material until they are passed over for further handling to a special archive department of the National Bank of Serbia. The finished files are kept in the archives of the clerk's offices for not longer than a year from the year in which they were created and then, all arranged and signed, they are passed over, together with the records books, to a special archive department of the National Bank of Serbia for safekeeping.

At the National Bank of Serbia, the procedure for selecting archive materials, separating registry material, undertaking storing, safekeeping and protection of documentation materials, the procedure for shooting microfilms and for digitalization, the manner of using documentation material, the manner of handing over archive materials to the competent archives, as well as the procedure for destroying registry material with no value are regulated by the Rulebook on Archive and Registry Materials at the National Bank of Serbia, G.no. 7395, of 5 June 2007.

The selection of archive materials and setting aside of registry material with no value are done on the basis of the List of Registry Material Categories of the National Bank of Serbia with the deadlines for safekeeping (G.no. 5075, of 18th June, 2008), to which the Archives of Serbia gave its consent 02 no. 765 of 20th June, 2008, as well as on the basis of earlier lists of categories or the lists of categories of the legal entities that have become a part of the National Bank.

The documentation held by the National Bank of Serbia is classified on the basis of the above lists of registry material categories and is kept in compliance with the deadlines set in them (one, two, five, ten, 30 or more years, permanently).

The documentary material of the National Bank's archive fund is kept at properly equipped archives depots at Kralja Petra 12, Nemanjina 17, Pionirska 2 in Topcider, depots of the branches and the Institute, and on duly-adapted premises in Belgrade, Novi Sad, Nis, Kragujevac and Uzice. The micro climate conditions at the archives depots of the National Bank are regularly controlled.

The documentation materials marked by the type of secret and/or degree of confidentiality are provided with special conditions for safekeeping, and this also applies to the documentation material on non-standard (non-paper) carriers of inscription: magnet tape, film tape, audio cassette, microfilm, compact disk, database, etc., in compliance with the general internal enactments on office administration and archive and registry materials.

Archive and registry materials produced in the course of operations of this institution, from its foundation in 1884 until present, are kept at the National Bank of Serbia. The National Bank Fund is divided in five fund wholes:

- Privileged National Bank of the Kingdom of Serbia (1884-1919/1920);
- National Bank of the Kingdom / Kingdom of Serbs, Croats and Slovenes / Yugoslavia (1919-1920-1045);
- National Bank of Yugoslavia / DFY, FPRY, SFRY (1945-1992);
- National Bank of (FR) Yugoslavia (1992-2003);
- National Bank of Serbia (2003-).

Except for the National Bank Fund, the National Bank of Serbia also takes care of the documentation material of other legal entities that had become a part of the National Bank at some point in time:

- Serbian National Bank (occupation), 1941-1945;
- National Bank of (SR) Serbia, 1972-1992;
- National Bank of Vojvodina, 1972-1992;
- Social Accountancy Service of Yugoslavia;
- Social Accountancy Service of SR Serbia;
- Social Accountancy Service of SAP Vojvodina.

The documentation of national, cultural and historical significance is permanently kept and further arranged and processed in accordance with archive administration principles in order to be safeguarded and presented to the scientific and general public in the country and abroad. For persons interested in this documentation, the NBS has opened on its premises at Kralja Petra 12 the archives reading room "Marko Stojanovic".

A majority of NBS documentation is kept in paper form. In addition, there are electronic documents and audio-magnetic records (audio cassettes) with records of: meetings of the Council, staff meetings convened by the Governor, meetings of the Monetary Policy Committee, some meetings with commercial banks relating to the preparation of legal projects, as well as of the plenary and final meetings with the International Monetary Fund.

The majority of requests for research and submission of copies of documentation materials handled by a special archive department of the National Bank relate to the dispossession of property during the period of the FPRY/SFRY on the basis of regulations on agricultural land fund and on expropriation.

The new document adopted by the National Bank of Serbia – Rulebook on the Manner of Scheduling and Holding Meetings at the NBS, stipulates that a meeting is deemed to be a meeting organized on the premises of an office building of the National Bank of Serbia for the purpose of holding a business discussion on a previously agreed issue, the subject matter of which falls under the competence of the National Bank of Serbia.

The meetings are scheduled at the initiative of representatives of the National Bank of Serbia or the other party. This initiative will take the form of a written proposal which can be rejected if the proposal does not contain any one of the compulsory elements defined in the Rulebook, if the proposed subject matter of the discussion has no relation to the activities that fall under the competences of the NBS or if the meeting with a given party may cast doubt on the independence and impartiality of the National Bank of Serbia in the performance of its legally defined functions and activities.

The new Rulebook specifies that all meetings attended by the Governor, Vice Governor or Secretary General will be sound recorded, with the exception of the meetings with representatives of other state authorities and organizations. In addition, these meetings must be attended by at least two representatives of the National Bank. The Rulebook allows the Governor the possibility to request that other meetings attended by other NBS representatives are also sound recorded. These sound recordings are stored for safekeeping at the Governor's Office and labelled as either "official secret" or "top secret." If a meeting at the National Bank of Serbia is sound recorded, the written meeting notification will invariably contain a note which states that in Serbian or English, with the explanation that the sound recording will be kept at the NBS and that it will be used for internal purposes only. A party's attendance at a meeting will be understood to mean that such party agrees to the sound recording.

Also, the Press Service of the National Bank of Serbia has an archive in the electronic database in the form of issued media releases, photographs and press clippings from the printed media.

MOST FREQUENTLY REQUESTED INFORMATION OF PUBLIC IMPORTANCE

8. Information of public importance most frequently requested by media and general public relate to the measures and normative activities within the wide scope of activities and responsibilities of the National Bank of Serbia. There has also been notable interest in the statements, comments and interviews given by officials and experts regarding some of the activities of the National Bank of Serbia. Measures announced or issued by the National Bank of Serbia typically arouse interest and require additional interpretation in terms of the effects of their implementation and their influence on the activities of economic entities and natural persons' rights and obligations.

The most frequently requested information include inflation developments and forecasts, as well as measures implemented by the National Bank of Serbia to maintain price stability:

- new measures of the Monetary Policy Committee,

- reserve requirement ratio,
- compulsory depositing of new foreign currency savings with the NBS,
- interest rate policy,
- exchange rate policy and the dinar exchange rate movements,
- repo operations and securities auctions.

As regards the banking and financial system, the most frequently requested information refer to its functioning, relevant regulations, the NBS supervision function and financial sector reforms:

- privatization, capital increase or merger of banks,
- commercial banks supervision and control measures pronounced by the NBS,
- ownership structure of banks,
- banks' lending activities and their interest rate policies,
- observance of the NBS decisions, for instance on obligatory disclosure of effective interest rates,
- use of cheques,
- payment cards and cashless payments,
- banking sector balance sheet total, and
- organizational structure and branches of the National Bank, as well as the number of employees at the NBS and in the banking sector.

In addition to the interpretation of certain provisions of the Law on Foreign Exchange Operations and other foreign exchange regulations, the most frequently asked questions in this area pertain to the following:

- foreign exchange reserves and foreign exchange market developments,
- exchange transactions, terms and commissions charged by private exchange offices,
- stability of the dinar exchange rate,
- foreign currency savings deposits,
- payout of frozen foreign currency savings deposits and the use of bonds issued against such deposits,
- relations with the International Monetary Fund, World Bank and other international financial organizations,
- external debt movements and its servicing,
- individual arrangements with foreign creditors, and
- balance of payments developments.

In the area of insurance supervision, the most frequently asked questions refer to insurance companies whose operating license has been revoked, and their obligations towards policyholders:

- rights of insurance policyholders,
- manner of collecting damages,
- companies undergoing bankruptcy,
- insurance agents,
- new regulations, and
- privatization of insurance companies.

There are also frequent questions in connection with the system of enforced collection, payment operations, Solvency Centre, and increasingly also in connection with the new supervision function of the NBS in the area of leasing.

Question: (March 2005)

Under which conditions does the National Bank of Serbia deposit the treasury assets of the local authorities?

Response: (March 2005)

We hereby inform you that Article 41, paragraph 3 of the Law on the National Bank of Serbia stipulates that the National Bank of Serbia through a special contract with the Republic of Serbia determines the level of interest rate on the assets of the Republic of Serbia to which the National Bank of Serbia pays an interest, which means that the negotiations on the mutual rights and obligations in connection with the consolidated treasury account held at the National Bank of Serbia at RTGS is done between the National Bank of Serbia and the Ministry of Finance.

In addition to the above, although the National Bank of Serbia does not directly negotiate the conditions for depositing assets with the local self-government bodies, we would like to inform you that Contract G.no. 3665/2003 and its annexes G. no. 59/2004 and G.no. 5023/2004. entered into by and between the National Bank of Serbia and the Republic of Serbia, sets an obligation of the National Bank of Serbia to calculate and pay an interest to the assets held on the consolidated treasury account at the interest rate which varies depending on the daily balance of the assets of the consolidated treasury account system. During the current year, the National Bank of Serbia has been paying an interest to the assets of the consolidated treasury account system at the rate of 30% of the discounted rate of the National Bank of Serbia.

In connection with this, we would like to point out that the level of the discounted rate of the National Bank of Serbia is determined by the Decision on the Level of the Discounted Rate of the National Bank of Serbia at an Annual Level, and that since 1st January, 2004, it has been 8.5%.

The above-stated contract has stipulated that if there should be a change in the level of the discounted rate during the validity of the contract, the contracting parties agree that the calculation and payment of the interest will be done at the newly-established interest rate as of the date of the change of that rate, as well as that the calculation of the interest on the assets of the consolidated treasury account system will be done on a monthly basis, by using the simple interest method, with the payment by the 8th day of the month for the previous month.

In addition, we would kindly inform you that the National Bank of Serbia and the Republic of Serbia have not concluded contracts on the term depositing of dinar assets of the Republic of Serbia at the National Bank of Serbia.

Taking into account that the National Bank of Serbia regulates through a contract the payment of an interest on the assets of the consolidated treasury account which falls under the competence of the Public Payments Administration, we believe that you may examine more detailed conditions for the depositing of treasury assets of local authorities with that Administration.

Question: (May 2006)

Has a liquidation procedure started for Kreditno-eksportna banka and has it been completed? Are the accounts of the bank blocked or not?

Response: (May 2006)

The liquidation procedure for Kreditno-eksportna banka a.d. started with the order of the Commercial Court in Belgrade, no. VI.L. 118/05 of 11th May 2006.

The same order assigned the Deposit Insurance Agency for the liquidation administrator of that bank and this Agency, in compliance with the Law on Bankruptcy and Liquidation of Banks and Insurance Companies ("RS Official Gazette," no. 61/2005), establishes during the liquidation procedure the grounds for and the level of reported claims by creditor(s), covers the liabilities of the bank and performs other tasks stipulated by the law.

We also want to point out that all the accounts of this bank held at the National Bank of Serbia have been blocked by the order of the Governor of the National Bank of Serbia on the revoking of the operating licence for Kreditno-eksportna banka G.no. 5709 of 5th September, 2005.

Question: (October 2006)

Has DP Ribarsko gazdinstvo "Beograd" received a credit (1994/95) from the National Bank of Serbia for the construction of carp rearing pond "Neuzin" near Zrenjanin?

Response: (October 2006)

In line with the regulations, the National Bank of Serbia has not been authorized to grant credits to final beneficiaries. The crediting of final beneficiaries has been done solely via commercial banks. Having this in mind, we would like to refer you to contact the commercial bank with which DP Ribarsko gazdinstvo concluded the Credit Agreement in order to obtain the required data.

Question: (May 2007)

Is there at the Institute for Manufacturing Banknotes and Coins still the gold and silver which the Order of Alkar Knights from Croatia bought in 1985 for minting gold and silver commemorative coins?

Response: (May 2007)

All the quantities of gold and silver commemorative coins to mark 270th anniversary of the Sinj Alka Festival manufactured through the end of December 1989 by the Institute for Manufacturing Banknotes and Coins – Topcider (ZIN) have been taken over by the National Bank of Yugoslavia.

On 10th December, 1996, the commemorative coins in original ZIN packaging were taken over and stored at the vault of the National Bank of Yugoslavia (closed storage no. 1206, packed in cardboard package, lead-sealed and sealed).

The Agreement on Minting and Sale of Gold and Silver Commemorative Coins to mark the 270th anniversary of the Sinj Alka Festival, signed between the National Bank of Yugoslavia and the Udruzena banka Hrvatske, Splitska banka, Osnovna Banka Split (G. no. 75 of 23rd April, 1986) has defined mutual relations in connection with the minting and sale of the commemorative coins, so that the further destiny of the commemorative coins may be resolved in compliance with the provisions of the stated agreement.

Question: (June 2007)

Are there securities – bonds (in US dollars) made out to bearer, “Generaleksport” company, deposited at the National Bank of Serbia, and if so, which is their exact number and dollar value, and if they have been alienated, how and by whom?

Response: (June 2007)

The Law on the Assets of the Federation Fund for Crediting Faster Development of Economically Insufficiently Developed Republics and Autonomous Provinces During the Period from 1986 to 1990 (“The Official Gazette of the SFRY,” no. 75/85), regulated the provision of assets of the Federation Fund for crediting faster development of economically insufficiently developed republics and autonomous provinces during the period from 1986 to 1990 in the such a manner that they were created at the rate of 1.56% of the social product of the social economy of Yugoslavia, as follows: 60% by associating labour and assets of organizations of associated labour (OUR) and 40% – from mandatory loan, paid by OUR’s that carried out an economic activity. The assets used to be paid to the account of the Federation Fund held at the Social Accountancy Service (SDK). For the paid annual amount of the Federation Fund’s assets, created from the mandatory loan, the payees used to be issued bonds made out to bearer and in dinar denomination, and that loan would be repaid in 12 equal annual instalments (Article 13 of the Law). More detailed conditions on the issuance and depreciation of the mandatory loan bonds, as well as the manner of recording the Fund’s assets, used to be enacted by the then Federal Secretariat for Finance. The payments of the bonds, that is, of the coupons of those bonds, used to be executed through the Social Accountancy Service of Yugoslavia.

The depositing of the above-stated bonds was not done at the National Bank of Yugoslavia, in conformity with the stated regulations. We would like to point out that, in compliance with the regulations, the National Bank of Serbia (Yugoslavia) executed the depreciation of the paid out coupons and after the expiry of the coupons’ limitation deadline – having obtained the consent of the Federation Fund, they were destroyed in 2006.

The payments to the bearers of the coupons from the stated bonds were done via the SDK. The last payments at the beginning of 1990 referred to coupon no. 4 from the Federation Fund bonds issued for 1984. After that, there have been no payouts nor have any regulations been enacted on the basis of which any kind of revaluation of the dinar amounts of the issued Fund bonds would be possible.

Namely, pursuant to the Law on the Change of the Value of Dinar (“FRY Official Gazette,” no. 57/93) starting as of 1st October, 1993, when the law entered into force, 1 dinar had the value of 1,000,000 of the existing dinars (1:1,000,000). Owing to the devastating consequences of the hyperinflation, as early as in December of the same year it was necessary to carry out the denomination of the dinar and therefore the Federal Government enacted the Ordinance on the Change of the Value of Dinar. This established a new value of the dinar so that, as of 1st January,

1994, in comparison with the existing banknotes and coins, dinar had the value of 1,000,000,000 existing dinars (1:1,000,000,000). The consequences of such denomination led to a situation in which dinar claims were brought to zero.

The Federation Fund for Crediting Faster Development of Economically Insufficiently Developed Republics and Autonomous Provinces, which operates at Makenzijeve no. 41 in Belgrade, is solely in charge of any possible, additional, information.

Question: (April 2008)

Does the National Bank of Serbia keep foreign reserves at the Deutsche Bank and under which conditions?

Response: (April 2008)

The data and documents of the National Bank that relate to the location of foreign reserves by individual foreign banks are marked as state secret with the "Top Secret" degree of confidentiality. In line with that, data in connection with the amount of foreign reserves at the concrete individual bank are not available to the public, which is in conformity with the international banking practice.

Taking into account the situation at the world financial market, the National Bank of Serbia has raised the criteria in connection with the placements of the foreign reserves held at the banks abroad and places them at the central banks of the most developed countries and commercial banks with the highest credit rating, and the Deutsche Bank does not meet the stated requirements.

Question: (March 2009)

Why has the Treasury Department of the NBS not been acting for a long time in line with the final orders of the Foreign Exchange Inspectorate that relate to a partial return of the assets temporarily forfeited from natural persons at border crossings?

Response: (March 2009)

The National Bank of Serbia – Treasury Department does not have a single unprocessed order for the return of temporarily forfeited cash foreign currency that has been submitted by the Ministry of Finance – Foreign Exchange Inspectorate.

Since 7th October, 2009, since when the activities of the regime control of the orders for the return of temporarily forfeited cash foreign currency submitted by the Foreign Exchange Inspectorate and the activities related to the issuing of orders for payment to natural persons and legal entities on these grounds have been conducted at the Treasury Department, 159 orders have been processed and 156 orders for the payment have been issued. Three orders have been returned for a correction and new instructions for the transfer of funds are expected from the Foreign Exchange Inspectorate.

Since 12th February, 2009, not a single order of the Foreign Exchange Inspectorate has been submitted for execution to the Treasury Department.

Question: (July 2009)

Does a bank's refusal to give the loan repayment schedule to a borrower constitute a case of default on its obligations pursuant to Article 325, paragraph 2 of the Law on

Obligations and is the interest on loan from that moment on discontinued as provided by Article 326, paragraph 2 of the said Law?

Response: (July 2009)

Pursuant to the NBS's Decision on the Uniform Manner of Calculating and Disclosing the Effective Interest Rate on Deposits and Loans ("RS Official Gazette", No.57/2006), banks are obligated to give a loan repayment schedule to the client on the conclusion of loan contract, but also later on each change in nominal and/or effective interest rate.

Any contract is a bilaterally binding document, with clearly defined rights and obligations of both contracting parties. By signing the contract, the parties acknowledge that they are acquainted with its contents and that they accept all the rights and obligations stipulated therein, as well as that the repayment schedule constitutes its integral part. If, by any chance, you have not been given the loan repayment schedule, this does not set you free from the obligations undertaken by signing the contract. It is, however, a reason to accept the bank's invitation to reconcile your positions and settle your relations through either direct contact or mediation procedure.

Question: (October 2009)

If the loan contract envisages the due date of repayment instalment falling on a non-business day to be moved to the first following business day, which exchange rate is the bank obligated to apply – the exchange rate effective on that non-business day or the exchange rate effective on the first following business day to which the due date was moved?

Response: (October 2009)

If the loan contract envisages the due date of repayment instalment falling on a non-business day to be moved to the first following business day, the bank should apply the exchange rate effective on the first following business day to which the due date was moved.

Question: (November 2009)

When did the new Law on Compulsory Traffic Insurance ("RS Official Gazette", No.51/09) enter into force, and did Dunav osiguranje submit all the necessary documentation to the National Bank of Serbia and act in all other matters entirely in line with the new Law? Have the conditions for the application of the new Law been met, and if yes, since when?

Response: (November 2009)

The entry into force of the above Law is regulated by the provisions of Articles 117 and 119 thereof. Pursuant to those provisions, the Law entered into force in its entirety on 12 October 2009. Pursuant to Article 117, however, some provisions have a delayed application.

Article 109 of the Law on Compulsory Traffic Insurance sets forth a general deadline by which all insurance companies, including Dunav osiguranje, are required to harmonise their operations with the provisions of that Law. The deadline stipulated is 60 days following the entry into force of the Law, which means that it has not passed yet.

SUBMISSION OF APPLICATIONS FOR THE PURPOSE OF EXERCISING THE RIGHT TO INFORMATION ACCESS

9. The procedure for exercising the right to free access to information of public importance begins with the submission of an application to the National Bank of Serbia (attn. Bojana Marković-Jager – person authorized to act on such applications).

The application may be submitted in both written and oral form.

The application comprises: name of the National Bank of Serbia, name, surname and address of the applicant, and/or address of the head office if the applicant is a legal entity, description of the requested information and other details which can facilitate the finding of requested information. Reasons for submitting the application are not required.

The applicant may require the National Bank of Serbia to send a notification stating whether it has the requested information or not, then to provide access to the documentation containing the requested information, to issue a copy of such documentation and deliver it via mail or in any other manner.

The National Bank of Serbia charges the applicant only for the costs of copying and dispatching of the documents containing the requested information, whereas access to documents is free of charge.

The application form is enclosed with the Information Paper and is integral thereto (Annex 6).

Excerpts from the Law on Free Access to Information of Public Importance

Content of the Right to Access Information of Public Importance

Article 5

Everyone shall have the right to be informed whether a public authority holds specific information of public importance, i.e. whether it is otherwise accessible.

Everyone shall have the right to access information of public importance by being allowed insight in a document containing information of public importance, the right to a copy of that document, and the right to receive a copy of the document upon request, by mail, fax, electronic mail, or in another way.

Article 9

A public authority shall not allow the applicant to exercise the right to access information of public importance, if it would thereby:

- 1) Expose to risk the life, health, safety or another vital interest of a person;

- 2) Imperil, obstruct or impede the prevention or detection of criminal offence, indictment for criminal offence, pretrial proceedings, trial, execution of a sentence or enforcement of punishment, any other legal proceeding, or unbiased treatment and a fair trial;
- 3) Seriously imperil national defense, national and public safety, or international relations;
- 4) Substantially undermine the government's ability to manage the national economic processes or significantly impede the fulfilment of justified economic interests;
- 5) Make available information or a document qualified by regulations or an official document based on the law, to be kept as a state, official, business or other secret, i.e. if such a document is accessible only to a specific group of persons and its disclosure could seriously legally or otherwise prejudice the interests that are protected by the law and outweigh the access to information interest.

III ACCESS PROCEDURE BEFORE A PUBLIC AUTHORITY

Request for Information, Insight, Duplication and Referral

Article 15

An applicant shall submit a request in writing to a public authority to exercise the right to access information of public importance (hereinafter: request).

The request shall contain the name of the public authority, the full name and surname and address of the applicant and as many specifics as possible of the sought information.

The request may also contain other data that will facilitate the search for the requested information.

The applicant need not list the reasons for the request.

If the request does not contain data in paragraph 2 of this Article, i.e. if the request is deficient, the authorized person of the public authority shall be obliged to instruct the applicant free of charge how to rectify the deficiencies in the request, i.e. to give the applicant instructions on supplements.

In the event the applicant does not rectify the deficiencies within a specific deadline, i.e. within 15 days upon receipt of the instructions on supplements, and the deficiencies are such that they prevent the processing of the request, the public authority shall reach a decision to dismiss the request as deficient.

The public authority is obliged to allow an applicant access to information when the request is lodged orally, for the record, and such a request shall be specially recorded and deadlines apply accordingly, as if the request was submitted in written form.

A public authority may prescribe a sample request form, but it shall also be obliged to review requests that have not been lodged in that form.

Processing of Request

Article 16

A public authority shall without delay and within 15 days from receipt of the request at the latest inform the applicant whether it holds the requested information, allow insight in the document containing the requested information i.e. issue or send out to the applicant a copy of the document. The copy of the document shall be deemed sent out on the day it leaves the office of the public authority from which the information was requested.

If the request regards information, which is presumed to be of relevance to the protection of a person's life or freedom, i.e. to the protection of public health and the environment, the public authority must inform the applicant it holds such information, allow insight in the document containing the requested information i.e. issue a copy of the document to the applicant within 48 hours upon receipt of the request.

If a public authority is for a justified reason unable to inform the applicant within the deadline in paragraph 1 of this Article that it holds the information, to allow him/her insight in the document containing the sought information, to issue i.e. send him/her a copy of the document, the public authority shall promptly inform the applicant thereof and set another deadline that may not exceed 40 days from receipt of the request, within which it shall inform the applicant that it holds the information, allow him/her insight in the document containing the sought information, issue i.e. send the applicant a copy of the document.

If a public authority does not respond to the request within the deadline, the applicant may lodge a complaint with the Commissioner, except in cases prescribed by this Law.

Concurrently with the notice on allowing the applicant insight in the document containing the requested information i.e. issuing the applicant a copy of the document, the public authority shall inform the applicant of the time, place and manner in which information shall be available for insight, the necessary costs of duplicating the document, or inform the applicant of the possibility to use his/her own equipment for duplication in the event it does not have the technical means for duplication.

The applicant shall be allowed insight in a document containing the requested information on the public authority's official premises.

The applicant may for justified reasons ask to gain insight in the document containing the requested information at a time different from the one set by the authority from which the information was sought.

A person, unable to have insight in a document containing the requested information without an escort, shall have the opportunity of insight with the assistance of an escort.

If the public authority grants the request it shall not issue a separate decision, but shall make an official note about it.

In the event a public authority refuses to inform the applicant, either entirely or partially, whether it holds the sought information, to allow the applicant insight in the document containing the requested information, to issue i.e. send to the applicant a copy of the document, it shall be obliged to issue a decision on the rejection of the request and give a

written explanation of such a decision, and to notify the applicant in the decision of the legal means at his/her disposal to appeal such a decision.

Reimbursement

Article 17

Insight in a document containing the requested information shall be free of charge.

A copy of the document containing the requested information shall be issued and the applicant shall be obliged to reimburse the necessary costs of duplication, and also in the event of sending, the costs of sending.

The government shall sign the list of expenditures on the basis of which the public authority shall calculate the costs referred to in the previous paragraph.

Journalists, requesting a copy of a document for professional reasons, and non-governmental organizations, focusing on human rights and requesting a copy of a document for the performance of their registered activities, and all persons that request the information due to the imperilment, i.e. protection of public health and environment, shall be exempted from the obligation of reimbursement in paragraph 2 of this Article, except in cases referred to in Article 10, paragraph 1 of this Law.

The Commissioner shall follow the practice of reimbursement of costs and exemption from reimbursement and issue recommendations to the public authorities with the aim of standardizing the practice.

Right to a Complaint

Article 22

An applicant may lodge a complaint to the Commissioner within 15 days upon receipt of the public authority decision, if:

- 1) In contravention of paragraphs 1 and 3 of Article 16 of this Law, the public authority refused to inform the applicant whether it holds specific information of public importance or whether it is otherwise accessible to it, refused to allow insight in the document containing the requested information, to issue i.e. send to the applicant a copy of the document, or failed to do so within the prescribed deadline;
- 2) In contravention of paragraph 2 of Article 16 of this Law, the public authority failed to reply to a submitted request within the prescribed deadline;
- 3) In contravention of paragraph 2 of Article 17 of this Law, the public authority conditioned the issuance of the copy of the document containing the requested information by payment of a fee exceeding the necessary costs of duplication;
- 4) The public authority does not allow insight in the document containing the requested information in the manner set forth in paragraph 1 of Article 18 of this Law;
- 5) The public authority does not allow insight in the document containing the requested information, i.e. does not issue a copy of the document in the manner prescribed in paragraph 4 of Article 18 of this Law.

A complaint cannot be lodged against the decision of the National Assembly, the President of the Republic, Government of the Republic of Serbia, the Supreme Court of Serbia, the Constitutional Court and the republican Public Prosecutor.

An administrative dispute complaint may be lodged against the decision in Para 2 of this Article, in accordance with law, on which the court notifies Commissioner ex officio.

OPERATIONAL TRANSPARENCY OF THE NATIONAL BANK OF SERBIA

10. The National Bank of Serbia informs state bodies and general public about its operations – by providing information, holding press conferences and in other appropriate manners. In addition to that and for the purpose of public information, it prepares, prints and publishes in an electronic form relevant publications.

In conformity with the Law on the National Bank of Serbia, the regulations and general documents enacted by the bodies of the National Bank of Serbia – the Monetary Policy Committee, Governor and the Council of the National Bank of Serbia are published in “RS Official Gazette,” while the public is informed about all the activities of the National Bank of Serbia that relate to its operations through press releases and press conferences usually issued/held by the Governor.

Otherwise, pursuant to the Law on the National Bank of Serbia, the Minister in charge of financial operations is present at the sessions of the Monetary Policy Committee, while the manner of convening and holding sessions of the Monetary Policy Committee is regulated in more detail by the Statute of the National Bank of Serbia. The calendar of all the sessions of the Monetary Policy Committee for an entire year is posted in advance on the site of the National Bank. After the sessions of the Monetary Policy Committee, there are announcements regularly published with regards to the taken decisions, conclusions or measures it has adopted.

The Rules of Procedure on the work of the Council of the National Bank of Serbia arranges in more detail the manner of convening and holding sessions, issues that are discussed at the sessions, taking of decisions, keeping of minutes and shorthand records, as well as other issues in connection with the work of the Council.

Pursuant to the Law on the National Bank of Serbia, the National Bank of Serbia, that is, its bodies are under obligation to submit to the National Assembly of the Republic of Serbia the monetary policy programme for the current year, as well as the operations reports, report on the situation in the financial and overall financial system of the country, and other documents in line with this law.

The National Bank of Serbia may deny providing information the publication of which would significantly impede the achievement of its objectives stipulated by the Law on the National Bank of Serbia, since under the stated law it is autonomous and independent in performing its functions and is answerable for its work to the National Assembly of the Republic of Serbia. In addition, while performing its functions, it neither receives nor requests instructions from the state bodies and other entities.

Since the Governor is, according to the law, responsible for the achievement of the objectives of the National Bank of Serbia, it is the Governor or a person he may authorize who provide the data and information on the work of the National Bank of Serbia. In connection with that, the Governor may deny providing information that present state, military, official or business secret. Also, in compliance with the law and other regulations, the Governor regulates the manner of providing information and exercising the transparency of the National Bank of Serbia and determines which data and documents at the National Bank of Serbia are marked as a secret, the manner of safekeeping the secret and the procedure in case of a disappearance or disclosing of data and documents marked as a secret. Thus, on the basis of the Law on the National Bank of Serbia, the Governor has enacted the Rulebook on the Determining of Data and Documents at the National Bank of Yugoslavia which are Marked as a Secret and the Manner of Safekeeping and Protecting the Secret, the Decision on the Data and Documents Which the National Bank of Serbia Marks as a Secret During the Procedure of Supervision of Banks and Other Financial Organizations, as well as the Rulebook on the Establishment, Safekeeping and Protection of Defence Data at the National Bank.

Exercising of transparency

Pursuant to the Governor's decision, Mrs. Bojana Marković-Jager (office address: National Bank of Serbia, Kralja Petra 12, 11000 Belgrade) has been appointed the person authorized to act in respect of the Law on Free Access to Information of Public Importance.

Communications Division – Public Relations Section (Press Service) is in charge of cooperation with the press and media.

The following employees in the Public Relations Section are responsible for cooperation with the media:

**Mrs. Bojana Marković-Jager (tel. 3027206, e-mail: bojana.markovic@nbs.rs),
Mrs. Slađana Prijic-Sladić (tel. 3027363, e-mail: sladjana.prijic-sladic@nbs.rs) and
Mrs. Zorica Negojević (tel. 3027207, e-mail: zorica.negojevic@nbs.rs).
E-mail of the Public Relations Section is as follows: press@nbs.rs.**

All media requests - answers to specific questions pertaining to the activities of the National Bank of Serbia, requests for statements, comments, interviews and media appearances of the Governor, Vice-Governors and other authorized persons from the National Bank of Serbia – are to be sent to the Public Relations Section, which is responsible for their realization together with competent NBS services and departments. The abovementioned Section has the obligation to provide answer to each request or explain the reasons why it is unable to deliver certain information, if such information is deemed state, official or business secret.

Public Relations Section shall deliver NBS press releases to all media accredited to follow National Bank's activities and inform the media in writing of all press conferences and other meetings taking place in the National Bank of Serbia, provided they are open to the public. Media companies are to confirm their presence by registering their journalists, photojournalists or cameramen with the Public Relations Section.

Applications for audio or video shooting of the facilities of the National Bank of Serbia shall be submitted to the Public Relations Section and approved in accordance with the Rules of Internal Procedure and security criteria specified therein, with maximum consideration for public interest in information of such kind.

The website address of the National Bank of Serbia is www.nbs.rs

Internet presentation of the National Bank of Serbia contains information divided in the following sections: News and Press Releases, About the NBS, Regulations, Monetary Policy, Public Debt Servicing, Payment System, External Relations, Banking System, Bank Supervision, Leasing Supervision, Insurance Supervision, VPF Supervision, Consumer Protection, Solvency and Rating, Enforced Collection, Banknotes and Coins, Statistics and Publications. These sections contain all information related to the activities of the National Bank of Serbia: monthly, quarterly and annual analyses, publications and reports, daily information such as exchange rate lists or information on enforced collection, measures and decisions issued by the National Bank of Serbia, laws starting from their initial draft all the way to their enactment, etc. Accuracy and completeness of the information presented on the NBS website are primarily the responsibility of departments preparing the material from their scope of responsibilities and department managers, as well of the Public Relations Section staff.

Depending on the subject matter, published materials are updated at different times and filed away, whereas regulations issued by the National Bank of Serbia remain on the website for the entire period of their validity and are updated for any amendments immediately after their publication in the "RS Official Gazette" or entry into force.

Information on the business hours

Business hours at the National Bank of Serbia (head office and branches) run from 8.30 am to 4.30 pm. The business hours at the Institute for Manufacturing Banknotes and Coins run from 7.30 am to 3.30 pm.

Contacts

NATIONAL BANK OF SERBIA – HEAD OFFICE

Kralja Petra 12,
11 000 Belgrade

Telephone: 011/3027-100

Nemanjina 17,
11 000 Belgrade

Telephone: 011/3338-000

GOVERNOR'S OFFICE

Telephone: 011/3027-194, 3027-343

Fax: 011/3027-394

E-mail: kabinet@nbs.rs

PROTOCOL
Milan Gašić

Telephone: 011/3027-182, 3027-193

Fax: 011/3283-220

E-mail: protokol@nbs.rs

INFORMATION CENTRE	Telephone: 0800 111-110 E-mail: informativni.centar@nbs.rs
CENTRE FOR FINANCIAL SERVICES CONSUMER PROTECTION AND MARKET SUPERVISION	Telephone: 011/3338-251, 3338 E-mail: zastita.korisnika@nbs.rs
PRESS SERVICE Bojana Marković Zorica Negojević Slađana Prijčić-Sladić	Telephone: 011/3027-206, 3027-207 Fax: 011/3282-285 E-mail: press@nbs.rs
WEBSITE EDITOR Milana Vučković	Telephone: 011/3027-236 Fax: 011/3282-285 E-mail: urednik@nbs.rs webadmin@nbs.rs
VISITORS' CENTRE – exhibitions Kralja Petra 12, 11 000 Belgrade Working hours from 10 am to 4 pm	Telephone: 011/3027-204, 3027-318 Fax: 011/3282-285 E-mail: izlozba@nbs.rs
LIBRARY Nemanjina 17, 11 000 Belgrade	Telephone: 011/333-7850 Fax: 011/333-7867 E-mail: biblio@nbs.rs
INSTITUTE FOR MANUFACTURING BANKNOTES AND COINS Pionirska 2, 11030 Belgrade Sales Department	Telephone: 011/3531-200 Telephone: 011/3544-199 Fax: 011/3544-125 E-mail: zin.prodaja@zin.nbs.rs

Visits to the National Bank of Serbia building

The **Visitors' Centre of the National Bank of Serbia** is not a classic or institutional museum, but rather a specific exhibition and educational centre with a basic museum collection, temporary exhibits and accompanying educational and interactive activities.

It comprises elements intended for the public at two building of the National Bank of Serbia:

- at the building of the Bank in Kralja Petra 12, in the very centre of the old city core, just a few steps from the main pedestrian zone of Knez Mihailova street and the Cathedral Church, and in the close proximity of the Kalemegdan fortress. In the surroundings of the Bank there are also other important cultural and historic monuments and museums;
- at the new building of the Bank in Nemanjina 17, in the close proximity of the Slavija city square.

The National Bank Palace in Kralja Petra street, built in the neo-renaissance academism style, according to the design of architect Konstantin Jovanovic, is one of the greatest and most beautiful architectural creations of 19th-century Belgrade which was the reason why it joined other cultural monuments under the protection of the state. It was built for the

specific purpose, for the then Privilegovana narodna banka Kraljevine Srbije, and was moved into in 1890. During the period from 1922 to 1925, due to an increased volume of operations, the building was extended, in the same style, and the former hall with counters has been adapted into exhibition and educational room.

The National Bank of Serbia building in Nemanjina street is a modern, new facility built in glass and marble, moved into in 2006, and its main hall is intended for various exhibitions and projects in the sphere of culture.

Reflecting its new role in the society, the National Bank of Serbia wanted to use its exhibition and educational programmes, and its position of a unique institution in Serbia, to present its activities to the public in an interactive manner, through exhibitions, lectures, discussions, creative workshops and participating in social events, and through all of this to point to the significance both of the financial education of citizens, from the youngest to the eldest ones, and of our cultural heritage.

In July 2004, the National Bank opened its door for the first time in its 120-year old history and enabled the general public, both domestic and foreign, to get to know specific aspects of our cultural heritage that comprise not only banknotes, coins and messages sent through its artistic solutions, but also the Bank's edifice. It was then that basic exhibition entitled "*Money on the Serbian Soil*" was opened in the former hall with counters which gave an overview of the money used on the territory of our country, from its earliest days to the current circulation.

To date, the basic exhibition has been enriched with specialised exhibits. The biggest attention of the visitors is caught by exhibitions "*Dinar, Our Money*," dedicated to the markings intended to protect banknotes against counterfeiting, and "*Serbian Coins*," which presents the process of minting coins. Both exhibits are complemented with interactive elements that give the visitors a special possibility to check for themselves the authenticity of banknotes using appropriate equipment and to mint themselves a small medal on a manual press as a souvenir.

At the NBS Visitors' Centre there are special programmes organized for pre-school children, primary schools' and secondary schools' students. Also, there are creative workshops organized on different topics: "Get to Know the Importance of Savings," "Draw a Banknote of Your Choice," "Money through History," "False Money and How to Recognize It," "Inflation," "Hands on" and "Five Senses and Money."

In order to promote Belgrade and the Republic of Serbia at the national and international levels, the NBS and its Visitors' Centre are also active partners and participants in numerous cultural and social events – the NBS regularly takes part in cultural events such as "European Heritage Days," "Night of Museums" and "International Francophone Day."

Individual visits need not be booked, while **group visits** of citizens and educational institutions are to be booked by telephone on **011/3027-204** and **3027-318** or by mail at izlozba@nbs.rs. A list with the names and surnames of the visitors and the number of their respective ID cards or some other personal documents (for citizens past the age of consent) should be handed at the entrance to the NBS buildings not later than on the date of the visit.

Citizens may visit the NBS exhibition halls each working day from 10 am to 4 pm.

Entrance and exhibits are free of charge.

Expert presentation, demonstrations, lectures and workshops are provided for group visits, adjusted to the profile, age and audience (in Serbian, English and French).

Taking photos at the building in Kralja Petra 12 is allowed at the Ceremonial Vestibule and Ceremonial Hall, and only at the level of showcases in the exhibition hall. At the building in Nemanjina 17, taking photos of the exhibition items in the hall is allowed.

ENCLOSURES

SCHEDULE
OF PLANNED NBS INCOME FOR THE YEAR 2010

in dinars

No.	I T E M	<i>Plan for 2010</i>
<i>1</i>	<i>2</i>	<i>3</i>
<i>I</i>	<i>OPERATIONAL INCOME :</i>	
1.	Interest income on foreign currency deposits	23.786.200.400
2.	Interest income on loans, deposits and other financial investments in dinars of banks, public sector and other clients	1.054.700.000
3.	Fee and commission income	3.954.770.000
4.	Other income generated by NBS operations and operations of a specialized organization constituting its integral part	6.307.471.000
5.	Net income from change in the value of securities and gains from their sale	3.840.000.000
<i>I</i>	<i>TOTAL OPERATIONAL INCOME (1 - 5):</i>	<i>38.943.141.400</i>

SCHEDULE
OF PLANNED NBS EXPENSES FOR THE YEAR 2010

in dinars

No.	I T E M	<i>Plan for 2010</i>
<i>1</i>	<i>2</i>	<i>3</i>
<i>II</i>	<i>OPERATIONAL EXPENSES :</i>	
1.	Interest expenses on loans, deposits and other financial liabilities in foreign currency	2.339.183.200
2.	Interest expenses on loans, deposits and other financial liabilities in dinars of banks, public sector and other clients	3.500.000.000
3.	Interest expenses on securities	19.650.000.000
4.	Other operational expenses, fee and commission expenses and other expenses	7.302.660.000
5.	Depreciation and amortization expenses	1.600.000.000
6.	Expenses of NBS employee earnings	2.996.500.000
7.	Other operational expenses	164.690.000
<i>II</i>	<i>TOTAL OPERATIONAL EXPENSES (1 - 7):</i>	<i>37.553.033.200</i>

SCHEDULE
OF FIXED ASSET INVESTMENTS, INTANGIBLE INVESTMENTS AND LONG-TERM
INVESTMENTS PLANNED FOR 2010

in dinars

NO.	ITEM	TOTAL NBS
1	2	3
I	INTANGIBLE ASSETS IN COURSE OF CONSTRUCTION:	
	Licences and software - intangible assets in course of construction	95.468.000
	Software in course of construction - confidential procurement	674.750.000
I	INTANGIBLE INVESTMENTS TOTAL:	770.218.000
II	EQUIPMENT AND OTHER FIXED ASSETS TOTAL (1+2+3):	1.588.667.500
1	EQUIPMENT AND FIXED ASSETS IN COURSE OF CONSTRUCTION:	1.283.622.500
	COMPUTERS AND OTHER DATA PROCESSING MACHINES	100.645.500
	COUNTING AND TYPING MACHINES, MONEY DESTRUCTION MACHINES, MACHINES FOR TREASURY OPERATIONS AND OTHER MACHINES	83.000.000
	PASSENGER AUTOMOBILES AND OTHER TRANSPORT VEHICLES	27.800.000
	EQUIPMENT FOR POSTAL AND TELECOMMUNICATIONS SERVICES	1.320.000
	EQUIPMENT FOR HEATING, COOLING AND BUSINESS SPACE MAINTENANCE	60.660.000
	EQUIPMENT FOR PHOTOCOPYING, REPRODUCTION AND GRAPHIC DESIGN	14.100.000
	OFFICE FURNITURE	50.500.000
	MISCELLANEOUS EQUIPMENT	74.897.000
	CONFIDENTIAL PROCUREMENT	870.700.000
2	OTHER FIXED ASSETS IN COURSE OF CONSTRUCTION:	9.160.000
	TOOLS AND INVENTORIES	410.000
	LIBRARY, NUMISMATICS, WORKS OF ART	8.750.000
3	BUSINESS FACILITIES IN COURSE OF CONSTRUCTION:	295.885.000
	Investment in business facilities (Kralja Petra, Slavija, other)	258.885.000
	Purchase of real estate	20.000.000
	Obligations under contracts concluded in the previous years	17.000.000
III	LONG-TERM INVESTMENT - SOLVING EMPLOYEE HOUSING NEEDS	150.000.000
	PLAN FOR 2010 (I + II + III):	2.508.885.500
	ESTIMATED VAT ON FIXED ASSET ALLOCATIONS	46.400.000
	TOTAL ASSETS:	2.555.285.500

OVERVIEW
OF NBS OPERATIONAL INCOME AND EXPENSES
JANUARY - DECEMBER 2007

(in dinars)

No.	ITEM	PLANNED	ACTUAL	Index 4:3
1	2	3	4	5
IA	OPERATIONAL INCOME:			
1.	Interest income on foreign currency deposits	30.005.540.000	29.058.306.661	96,8
2.	Interest income on loans, deposits and other financial investments in dinars of banks, public sector and other clients	1.486.000.000	2.879.154.831	193,8
3.	Fee and commission income	3.640.674.000	3.569.327.762	98,0
4.	Other income generated by NBS operations and operations of a specialized organization constituting its integral part	1.625.876.000	3.122.994.544	192,1
5.	Net income from change in the value of securities and gains from their sale	-	2.282.217.780	-
IA	TOTAL OPERATIONAL INCOME (1 to 5):	36.758.090.000	40.912.001.578	111,3
IIA	OPERATIONAL EXPENSES:			
1.	Interest expenses on loans, deposits and other financial liabilities in foreign currency	4.570.203.000	4.827.891.791	105,6
2.	Interest expenses on loans, deposits and other financial liabilities in dinars of banks, public sector and other clients	4.290.100.000	3.186.203.937	74,3
3.	Interest expenses on securities	15.381.400.000	18.937.142.175	123,1
4.	Other operational expenses, fee and commission expenses and other expenses	6.010.783.000	4.167.105.181	69,3
4.1.	material resources	1.341.614.500	986.354.264	73,5
4.2.	production services	832.729.500	395.248.744	47,5
4.3.	intangible expenses:	1.183.468.000	761.581.327	64,4
	- fees	465.220.000	480.726.271	103,3
	- nonproduction services	464.158.000	160.145.205	34,5
	- representation	21.500.000	29.337.679	136,5
	- insurance premium	123.200.000	53.788.175	43,7
	- education and professional development	93.390.000	29.209.615	31,3
	- food and beverage preparation and serving in NBS facilities	16.000.000	8.374.382	52,3
4.4.	other personal expenses	416.000.000	533.858.573	128,3
4.5.	tax expenses	234.641.000	178.021.254	75,9
4.6.	expenses of contributions	641.830.000	567.290.281	88,4
4.7.	other tangible and intangible expenses	62.550.000	32.672.813	52,2
4.8.	fees and commissions expenses	1.297.950.000	712.077.925	54,9
5.	Depreciation and amortization expenses	1.052.171.000	752.998.171	71,6
6.	Expenses of NBS employee wages	3.057.000.000	2.773.636.494	90,7
6.1.	wage expenses:	1.801.953.038	1.652.581.043	91,7
	- regular working hours	1.721.139.033	1.578.466.074	
	- overtime work	1.373.087	1.259.266	
	- rewards	55.002.105	50.442.733	
	- other grounds	21.415.858	19.640.601	
	- expenses of net wages - business cars for personal use	3.022.955	2.772.369	
6.2.	remuneration expenses:	341.003.962	312.736.609	91,7
	- sick-leave up to 30 days	43.902.889	40.263.581	
	- state and religious holidays	52.071.496	47.755.055	
	- annual vacation	226.271.968	207.515.266	
	- paid leave	18.449.176	16.919.841	
	- other net remuneration	308.433	282.866	
6.3.	expenses of wage and remuneration tax:	366.840.000	318.885.898	86,9
	- regular working hours	296.932.675	258.117.007	
	- overtime work	225.155	195.722	
	- rewards	9.275.055	8.062.600	
	- other grounds	3.502.108	3.044.305	
	- remuneration	56.405.735	49.032.258	
	- net wages - business cars for personal use	499.272	434.006	
6.4.	expenses of contributions on wages and remunerations (charged to the employee):	547.203.000	489.432.944	89,4
	- regular working hours	444.895.553	397.926.437	
	- overtime work	353.339	316.036	
	- rewards	12.400.947	11.091.737	
	- other grounds	4.245.308	3.797.117	
	- remuneration	85.307.853	76.301.617	
7.	Other expenses of NBS operations and operations of a specialized organization constituting its integral part	293.664.000	445.999.986	151,9
8.	Net expenses from change in the value of foreign securities and losses on their sale	2.000.000.000	-	-
IIA	TOTAL OPERATIONAL EXPENSES (1 to 8):	36.655.321.000	35.090.977.735	95,7
	OPERATIONAL INCOME OVER EXPENSES (IA - IIA)		5.821.023.843	

**OVERVIEW OF NBS OPERATIONAL INCOME AND EXPENSES
JANUARY - DECEMBER 2008**

No.	ITEM	PLANNED	ACTUAL	Index 4:3
1	2	3	4	5
IA	OPERATIONAL INCOME:			
1.	Interest income on foreign currency deposits	33.419.594.000	27.607.701.329	82,6
2.	Interest income on loans, deposits and other financial investments in dinars of banks, public sector and other clients	2.323.390.000	1.229.193.756	52,9
3.	Fee and commission income	3.520.066.000	4.779.813.302	135,8
4.	Other income generated by NBS operations and operations of a specialized organization constituting its integral part	4.619.127.000	4.112.526.490	89,0
5.	Net income from change in the value of securities and gains from their sale	0	19.807.945.994	
IA	TOTAL OPERATIONAL INCOME (1 to 5):	43.882.177.000	57.537.180.871	131,1
IIA	OPERATIONAL EXPENSES:			
1.	Interest expenses on loans, deposits and other financial liabilities in foreign currency	4.530.844.400	2.796.016.462	61,7
2.	Interest expenses on loans, deposits and other financial liabilities in dinars of banks, public sector and other clients	3.396.300.000	4.138.902.338	121,9
3.	Interest expenses on securities	23.265.000.000	31.084.527.519	133,6
4.	Other operational expenses, fee and commission expenses and other expenses	5.809.739.600	4.805.075.945	82,7
4.1.	material resources	2.284.356.300	1.231.928.255	53,9
4.2.	production services	739.089.000	523.192.429	70,8
4.3.	intangible expenses:	1.022.210.900	753.217.239	73,7
	- fees	513.920.900	478.675.595	93,1
	- nonproduction services	285.020.000	158.489.447	55,6
	- representation	23.200.000	24.440.329	105,3
	- insurance premium	85.300.000	55.626.550	65,2
	- education and professional development	66.200.000	22.685.090	34,3
	- food and beverage preparation and serving in NBS facilities	48.570.000	13.300.228	27,4
4.4.	other personal expenses	494.165.800	473.424.977	95,8
4.5.	tax expenses	198.772.000	163.227.625	82,1
4.6.	expenses of contributions	600.363.500	593.349.990	98,8
4.7.	other tangible and intangible expenses	58.535.000	78.103.720	133,4
4.8.	fees and commissions expenses	412.247.100	988.631.710	239,8
5.	Depreciation and amortization expenses	1.047.388.700	963.748.952	92,0
6.	Expenses of NBS employee wages	2.954.350.500	2.868.242.934	97,1
6.1.	wage expenses:	1.714.563.995	1.668.781.005	97,3
	- regular working hours	1.657.190.425	1.612.939.469	
	- overtime work	852.220	829.464	
	- rewards	26.835.796	26.119.256	
	- other grounds	23.078.799	22.462.553	
	- expenses of net wages - business cars for personal use	6.606.755	6.430.263	
6.2.	remuneration expenses:	381.161.100	369.304.880	96,9
	- sick-leave up to 30 days	57.167.691	55.389.460	
	- state and religious holidays	67.240.626	65.149.071	
	- annual vacation	233.307.329	226.050.179	
	- paid leave	23.082.567	22.364.571	
	- other net remuneration	362.887	351.599	
6.3.	expenses of wage and remuneration tax:	336.725.590	323.952.184	96,2
	- regular working hours	262.820.792	252.850.904	
	- overtime work	135.000	129.879	
	- rewards	4.350.260	4.185.237	
	- other grounds	3.654.144	3.515.527	
	- remuneration	60.041.484	57.763.860	
	- net wages - business cars for personal use	953.896	917.710	
	- temporary and occasional jobs	4.770.014	4.589.067	
6.4.	expenses of contributions on wages and remunerations (charged to the employee):	521.899.815	506.204.865	97,0
	- regular working hours	408.683.420	396.393.196	
	- overtime work	215.638	209.153	
	- rewards	6.338.921	6.148.292	
	- other grounds	5.123.099	4.969.034	
	- remuneration	94.525.915	91.683.263	
	- temporary and occasional jobs	7.012.822	6.801.927	
7.	Other expenses of NBS operations and operations of a specialized organization constituting its integral part	451.923.000	621.429.472	137,5
8.	Net expenses from change in the value of securities and losses on their sale	602.000.000	0	0,0
IIA	TOTAL OPERATIONAL EXPENSES (1 to 8):	42.057.546.200	47.277.943.622	112,4
	OPERATIONAL INCOME OVER EXPENSES (IA - IIA)		10.259.237.249	

National Bank of Serbia
Belgrade, 12 Kralja Petra

**APPLICATION
FOR ACCESS TO INFORMATION OF PUBLIC IMPORTANCE**

Pursuant to Article 15, paragraph 1 of the Law on Free Access to Information of Public Importance ("RS Official Gazette", No. 120/2004), I hereby request the following from the above institution¹⁾:

- notification of whether it possesses the requested information,
- access to the document containing the requested information,
- copy of the document containing the requested information,

Delivery of a copy of the document containing the requested information:²⁾

- by mail,
- by e-mail,
- by fax,
- otherwise:³⁾ _____

This application refers to the following information:

(Describe the requested information as precisely as possible, including other information that may facilitate the finding of requested information.)

Applicant/name and surname

In _____

Address

on _____ 200__

Other contact details

Signature

¹⁾ Tick the legal rights to information access that you wish to exercise.
²⁾ Place tick the preferred option of the document copy delivery.
³⁾ When requesting some other manner of delivery, be sure to specify it.