



Annual Report 2018

Survey of key data

Raiffeisen banka a.d.

Monetary values are in thousands RSD	2018	Change	2017
Income Statement			
Net interest income after provisioning	9,447,989	(10.83)%	10,596,039
Net commission income	4,105,419	7.70%	3,811,983
Net trading income	51,292	358.37%	11,190
General administrative expenses	(9,064,405)	1.04%	(8,970,725)
Profit before tax	7,645,303	1.05%	7,565,653
Profit after tax	6,628,209	0.02%	6,626,785
Balance Sheet			
Loans and advances to banks	11,558,104	(19.62)%	14,378,437
Loans and advances to customers	150,387,617	9.22%	137,693,086
Amounts owed to other banks	3,038,158	(3.62)%	3,152,382
Amounts owed to customers	227,889,691	13.43%	200,906,463
Equity (incl. minorities and profit)	57,908,928	0.81%	57,443,503
Balance-sheet total	291,924,334	10.32%	264,621,343
Regulatory information			
Total own funds	50,437,418	0.48%	50,196,054
Own funds requirement	17,542,514	4.81%	16,737,828
Core capital ratio	23.00%	(4.12)%	23.99%
Own funds ratio	23.00%	(4.12)%	23.99%
Performance			
Return on equity (ROE) before tax	14.18%	2.39%	13.85%
Return on equity (ROE) after tax	12.32%	1.61%	12.13%
Cost/income ratio	52.43%	(7.51)%	56.68%
Return on assets (ROA) before tax	2.62%	(9.06)%	2.88%
Risk/earnings ratio	3.20%	(124.36)%	(13.15)%
Resources			
Number of staff on balance-sheet date	1,474	(0.20)%	1,477
Business outlets	86	(1.15)%	87

Pregled najvažnijih podataka

Raiffeisen banka a.d.			
Vrednosti su izražene u hiljadama dinara	2018	Promena	2017
Bilans uspeha			
Neto dobitak po osnovu kamata posle rezervisanja	9.447.989	-10,83%	10.596.039
Neto dobitak po osnovu naknada i provizija	4.105.419	7,70%	3.811.983
Neto prihodi od trgovanja	51.292	358,37%	11.190
Administrativni troškovi	-9.064.405	1,04%	(8.970.725)
Dobitak pre oporezivanja	7.645.303	1,05%	7.565.653
Dobitak posle oporezivanja	6.628.209	0,02%	6.626.785
Bilans stanja			
Plasmani bankama	11.558.104	(19,62)%	14.378.437
Plasmani klijentima	150.387.617	9,22%	137.693.086
Obaveze prema bankama	3.038.158	(3,62)%	3.152.382
Obaveze prema klijentima	227.889.691	13,43%	200.906.463
Kapital	57.908.928	0,81%	57.443.503
Bilans stanja - ukupno	291.924.334	10,32%	264.621.343
Kontrolne informacije			
Ukupni sopstveni kapital	50.437.418	0,48%	50.196.054
Potreban sopstveni kapital	17.542.514	4,81%	16.737.828
Adekvatnost kapitala (osnovni kapital)	23,00%	(4,12)%	23,99%
Adekvatnost kapitala (ukupni kapital)	23,00%	(4,12)%	23,99%
Pokazatelji poslovanja			
Stopa povraćaja kapitala pre oporezivanja	14,18%	2,39%	13,85%
Stopa povraćaja kapitala posle oporezivanja	12,32%	1,61%	12,13%
Odnos rashoda i prihoda	52,43%	(7,51)%	56,68%
Stopa povraćaja aktive	2,62%	(9,06)%	2,88%
Učešće ispravke vrednosti u neto prihodima od kamate	3,20%	(124,36)%	(13,15)%
Izvori			
Broj zaposlenih na dan bilansa	1.474	(0,20)%	1.477
Broj poslovnica	86	(1,15)%	87

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Report of the Board of Directors



Ladies and Gentlemen,

It is our pleasure to report that Raiffeisen banka a.d. Beograd completed the financial year 2018 with very good results. The bank was able to respond well to market challenges and adapt its business models to the changing environment and thus successfully meet the financial needs of its clients. In 2018, the bank further invested in the digital transformation of its business and introduced a number of new services, including using artificial intelligence based technology. Furthermore, the bank continued its comprehensive branch transformation project with the aim of streamlining its existing branch network and enabling clients to make full use of cutting-edge technological solutions. The awarding of "Best Digital Bank in Serbia" by Global Finance magazine provides evidence of the bank's endeavors in this respect.

In its eighteen years of business in Serbia, Raiffeisen banka has proven to be a reliable partner to its clients, able to not only offer services in line with the most contemporary banking standards, but also tailored to the particular needs of local clients.

In the 2018 financial year, the members of the Board of Directors held seven meetings. The overall attendance rate for Board of Directors meetings in the 2018 financial year was above 80 percent.

The Board of Directors regularly and comprehensively monitored the business performance and risk developments at Raiffeisen banka a.d. Beograd. Discussions were regularly held with the Managing Board on the adequacy of capital and liquidity as well as on the direction of the Raiffeisen banka business and risk

strategies. The Board of Directors also dealt at length with further development in the area of corporate governance and monitored the implementation of corresponding policies. In the course of its monitoring and advisory activities, the Board of Directors maintained direct contact with the responsible Managing Board members, the auditor and heads of the internal control functions. It also maintained a continuous exchange of information and views with representatives of the banking supervisory authorities on topical issues.

Moreover, the Managing Board provided the Board of Directors with regular and detailed reports on relevant matters concerning performance in the respective business areas. Between meetings, the Board of Directors also maintained contact with the Chairman of the Managing Board and the Managing Board Members. The Managing Board was available where required for bilateral or multilateral discussions with members of the Board of Directors, where applicable with the involvement of experts on the matters addressed by the Board of Directors.

The work undertaken together with the Managing Board was based on a relationship of mutual trust and conducted in a spirit of efficient and constructive collaboration. Discussions were open and critical, and the Board of Directors passed resolutions after considering all aspects. If additional information was required in order to consider individual issues in more depth, this was provided to Members of the Board of Directors without delay and to their satisfaction.

In order to fulfil statutory duties regarding the supervision of the financial reporting process and reporting practices in the bank, which includes the review and adoption of the financial statements and review of external audit reports, the Board of Directors regularly discussed financial reporting matters and external audit reports as well as recommendations with the Audit Committee, but also with external auditors.

Keeping in mind the significance of an adequate capital base for the fulfilment of the overall strategy, the capital management strategy and plan was one of the focus topics for the monitoring activities of the Board of Directors in 2018. These activities included the review and adoption of the ICAAP report, but also discussion with the Managing Board on the SREP requirement and first SREP review results which were issued by the regulator in May 2018.

I would like to take this opportunity to thank all of our customers for their continued trust and all of the employees of Raiffeisen banka a.d. Beograd for their hard work and unwavering efforts in 2018, as well as to ask for their continued commitment in tackling any challenges going forward.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to read "Peter Lennkh".

Peter Lennkh,
Chairman of the Board of Directors

Izveštaj predsednika Upravnog odbora



Dame i gospodo,

Zadovoljstvo nam je što možemo da objavimo da je Raiffeisen banka a.d. Beograd završila finansijsku 2018. godinu sa veoma dobrim rezultatima. Banka je odlično odgovorila na izazove tržišta i prilagodila svoje poslovanje promenljivom okruženju, te na taj način uspešno izašla u susret finansijskim potrebama svojih klijenata. U 2018. godini, banka je dalje investirala u digitalnu transformaciju svog poslovanja i uvela brojne nove usluge, uključujući i usluge zasnovane na veštačkoj inteligenciji. Takođe, banka je nastavila sa projektom transformacije poslovnica, sa ciljem da postojeću mrežu poslovnica učini optimalnom i da omogući klijentima da u potpunosti iskoriste najmodernija tehnološka rešenja. Dokaz napora banke u ovom smislu jeste i nagrada „Najbolja digitalna banka u Srbiji“ koju je banchi dodelio časopis Global Finance.

Tokom 18 godina poslovanja u Srbiji, Raiffeisen banka je potvrdila da je svojim klijentima pouzdan partner koji može da ponudi usluge u skladu sa najsavremenijim standardima u bankarstvu, a ujedno i skrojene po specifičnim potrebama lokalnih klijenata.

Tokom 2018. godine, članovi Upravnog odbora održali su sedam sedница. Ukupna stopa učešća na sastancima Upravnog odbora u finansijskoj 2018. godini bila je preko 80%.

Upravni odbor je redovno i sveobuhvatno pratilo poslovni uspeh i razvoj rizika u poslovanju Raiffeisen banke a.d. Beograd. Redovno su održavane diskusije sa Izvršnim odborom u pogledu adekvatnosti kapitala i likvidnosti, kao i u pogledu usmerenja poslovanja Raiffeisen banke i njene strategije u vezi sa upravljanjem rizicima. Upravni odbor se takođe detaljno bavio daljim razvojem

u segmentu održivog i odgovornog korporativnog upravljanja i pratilo implementaciju odgovarajućih poslovnih politika. Tokom svojih nadzornih i savetodavnih aktivnosti, Upravni odbor je održavao direktni kontakt sa nadležnim članovima Izvršnog odbora, revizorima i rukovodiocima internih funkcija kontrole. Takođe, konstantno je razmenjivao informacije i mišljenja sa predstvincima regulatornih nadzornih organa za bankarski sektor na teme od interesa.

Pored toga, Izvršni odbor je redovnim i detaljnim izveštajima obaveštavao Upravni odbor o relevantnim pitanjima koja se tiču poslovnih segmenata. Između sastanaka, Upravni odbor je takođe održavao kontakt sa predsednikom Izvršnog odbora i članovima Izvršnog odbora. Izvršni odbor bio je dostupan kada je to bilo potrebno za bilateralne ili ultilateralne diskusije sa članovima Upravnog odbora, po potrebi uz uključivanje stručnjaka za pitanja kojima se bavio Upravni odbor.

Posao koji je obavljen zajedno sa Izvršnim odborom zasnovan je na odnosima međusobnog poverenja i obavljen u duhu efikasne i konstruktivne saradnje. Diskusije su bile otvorene i kritične, a Upravni odbor doneo je odluke nakon razmatranja svih stavova. Ukoliko su

bile potrebne dodatne informacije kako bi se pojedinačna pitanja dublje razmotrila, to je članovima Upravnog odbora obezbeđeno bez kašnjenja i na njihovo zadovoljstvo.

Kako bi se ispunile zakonom propisane obaveze u pogledu supervizije procesa finansijskog izveštavanja i praksi izveštavanja u banci, što uključuje razmatranje i usvajanje finansijskih izveštaja i razmatranje izveštaja eksterne revizije, Upravni odbor je pitanja od značaja za finansijsko izveštavanje i izveštaje i preporuke eksterne revizije redovno razmatrao sa Odborom za reviziju, ali i sa eksternim revizorima.

Imajući u vidu značaj adekvatne kapitalne baze za ispunjenje celokupne strategije, strategija upravljanja kapitalom i plan bili su jedna od ključnih tema aktivnosti nadzora Upravnog odbora u 2018. godini. Ove aktivnosti uključivale su razmatranje i usvajanje ICAAP izveštaja, ali i diskusiju sa Izvršnim odborom u pogledu zahteva proisteklih iz procesa supervizorskog nadgledanja i procene (SREP), kao i prve SREP rezultate koje je objavio regulator u maju 2018. godine.

Želeo bih da iskoristim ovu priliku i zahvalim se svim našim klijentima na njihovom kontinuiranom poverenju, a ujedno i svim zaposlenima Raiffeisen banke a.d. Beograd na njihovom velikom trudu i zalaganju u 2018. godini, kao i da ih zamolim za dalju posvećenost u rešavanju svih izazova u budućnosti.

U ime Upravnog odbora,

Predsednik Upravnog odbora
Peter Lennkh

Introductory Address by the Chairman of the Managing Board



Dear shareholders and business partners,

It is my pleasure to inform you on behalf of the Managing Board of Raiffeisen banka that the bank has successfully completed another business year. As every year, in this report we will present the results of all segments and relevant business areas in detail. At the very beginning, I wish to stress the following successes: the past year we issued more loans (up 8 percent y-o-y), with a growing number of clients (up 5 percent y-o-y) and higher income growth compared to expenses leading to an increase of 4 percent in the operating result.

The profit before tax realized in 2018 amounts to 64.6 million euros, which is 4 percent more than in the previous year. This demonstrates that the bank was more than successful in meeting all the challenges and changes in the market. During the past year we continued our ongoing branch office transformation project and kept introducing the very latest technological achievements into the branch offices, but also a whole range of new services. Further proof of our business model is also seen in the awards from the leading global financial magazines Euromoney and EMEA Finance which honoured our bank with "Best Bank" and "Best Investment Bank in Serbia" (EMEA Finance) as well as "Best Digital Bank in Serbia" (Global Finance).

This last award is especially important to us because it represents the first recognition our bank has received in a segment that is becoming dominant in all industries. We can proudly say that we were not only one of the pioneers in the Serbian banking market in this segment, but more importantly – we do not stop improving and "catching up" with the most cutting edge trends.

2018 was an exceptionally fruitful year, having in mind that we realized a range of important projects in the segment of digitalization and innovation: from broadening our branch office network with multifunctional self-service devices, introducing payments via mobile phone, all the way to the absolute novelty of communicating with our chatbot REA, which was the first application of artificial intelligence in the local banking industry.

Excellent results, relationships with clients based on trust and maintaining one of the leading positions in the market – all of these have been realized thanks to the great professionalism of our employees who demonstrate each year that they are one of the best teams in the market, and also aware of the vision of how our business is going to develop in the future. I would like to use this opportunity to thank all of them for their professionalism and commitment.

Apart from the business results, another point which we are always very proud to stress is that the bank and its employees have from the very start been following the principle of socially responsible behaviour as one of the basic guidelines in our work. In 2019, the bank is marking the "coming of age" of its business activities in Serbia after eighteen years in the country. In as many years, we have given back to the community where we do business through numerous campaigns, charity work and voluntary activities, while also supporting vulnerable parts of society and investing into partnerships in art, culture and sports.

Plans for the coming period will remain on this track: we will continue to nurture good relationships with our community and maintain the highly professional partnerships with our clients. With regard to our business activities, we will strive, through our proactive approach and by investing into new technologies, to continue being one of the main providers of quality banking services in the local market. A special focus will be on the further improvement of services and timely response to the most contemporary business trends.

Zoran Petrović
Chairman of the Managing Board

Uvodna reč predsednika Izvršnog odbora



Poštovani akcionari i poslovni partneri,

Sa zadovoljstvom vas u ime Izvršnog odbora obaveštavam da je Raiffeisen banka veoma uspešno završila još jednu poslovnu godinu. U ovom izveštaju ćemo vam, kao i svake godine, detaljno predstaviti rezultate svih segmenta i relevantne pokazatelje poslovanja. Ono što želim posebno da istaknem na samom početku: prošle godine plasirali smo više kredita (uvećanje od 8% g-n-g), uz porast broja klijenata (rast od 5% g-n-g) i brži rast prihoda u odnosu na troškove, što je dovelo do uvećanja od 4% u poslovnom rezultatu.

Ostvareni profit pre oporezivanja u 2018. godini iznosi 64,6 miliona evra, što je 4% više nego u prethodnoj godini. Ovaj podatak je najbolja potvrda da je banka više nego uspešno odgovorila na sve izazove i promene na tržištu. I u prošloj godini nastavili smo kontinuiranu transformaciju mreže filijala, te nastavili sa uvođenjem najmodernijih tehnoloških dostignuća u svoje poslovnice, ali i u čitav spektar usluga. Potvrdu uspešnosti poslovanja dobili smo i od strane vodećih svetskih finansijskih magazina Euromoney i EMEA Finance koji su nas nagradili titulama „Najbolje banke“, odnosno „Najbolje investicione banke u Srbiji“ (EMEA Finance) i „Najbolje digitalne banke u Srbiji“ (Global Finance).

Ova poslednja nagrada nam je posebno značajna jer predstavlja prvo priznanje koje naša banka dobija u oblasti koja postaje dominantna u svim industrijama. Mi sa ponosom možemo da kažemo da smo bili jedan od pionira na srpskom bankarskom tržištu u toj oblasti, ali ono što je važnije – nismo prestajali sa usavršavanjem i „hvatanjem koraka“ sa najsvremenijim trendovima.

Godina 2018. bila je posebno sadržajna s obzirom da smo realizovali niz važnih projekata u oblastima digitalizacije i inovacija: od širenja mreže filijala sa multifunkcionalnim samouslužnim uređajima, preko plaćanja mobilnim telefonima, pa do apsolutne novine – komunikacije sa našim četbotom Reom, koja predstavlja prvu primenu veštačke inteligencije u domaćem bankarskom sektoru.

Odlični rezultati, odnos poverenja sa klijentima, zatim očuvanje jedne od liderских pozicija na tržištu – ostvareni su pre svega zahvaljujući velikoj stručnosti našeg tima zaposlenih, koji svake godine iznova potvrđuje da je jedan od najboljih na tržištu, ali i da ima viziju kako će se poslovanje razvijati u budućnosti. Koristim priliku da im u ime Izvršnog odbora zahvalim na profesionalizmu i zalaganju.

Pored poslovnih rezultata, ono što uvek s ponosom ističemo je i to da su se u svom radu banka i njeni zaposleni od samog početka vodili principom društveno odgovornog poslovanja kao jednog od osnovnih postulata u radu. U 2019. godini banka obeležava punoletstvo rada u Srbiji, a isto toliko godina smo kroz niz akcija, humanitarnih i volonterskih, „vraćali“ zajednici u kojoj poslujemo, pružajući podršku osetljivim delovima društva, te uključujući u partnerstva u kulturi, umetnosti i sportu.

Planovi za naredni period ostaju na tom „tragu“ – nastavljamo da negujemo dobre odnose sa zajednicom i održavamo visoko profesionalnu saradnju sa klijentima. Kad je reč o delovanju u poslovnom okruženju, trudićemo se da kroz proaktivni pristup i ulaganje u nove tehnologije, nastavimo da budemo jedan od stožera kvalitetne bankarske usluge na domaćem tržištu. Poseban akcenat biće na daljem unapređenju digitalnih servisa i ulaganju u inovacije, kako bismo blagovremeno odgovorili na najsvremenije trendove u poslovanju.

Zoran Petrović
Predsednik Izvršnog odbora

Vision & Mission Statement of Raiffeisen banka a.d. Beograd

Vision

Raiffeisen banka a.d. Beograd is one of the top-three banks in all target customer segments across the country.

Mission

- We seek long-term customer relationships and we are a reliable and constructive partner for our customers.
- We are delivering quality products and services to our customers by exploiting the benefits of digital transformation.
- We are an efficient and lean organization. We exploit synergies within the bank and with all our subsidiaries to the fullest extent possible.
- Prudent risk management is a key pillar throughout our organization and processes.
- As part of the Raiffeisen Network we contribute to the achievement of the overall Group objectives, and generate sustainable and above-average return on equity.
- We empower our employees to be entrepreneurial, to show initiative, and we foster their development. We are the employer of first choice, and we put special focus on the promotion of key staff and best talent.

Vizija i misija Raiffeisen banke a.d. Beograd

Vizija

Raiffeisen banka a.d. Beograd je jedna od vodeće tri banke u svim ciljnim klijentskim segmentima širom zemlje.

Misija

- Želimo da gradimo dugoročnu saradnju sa našim klijentima za koje smo pouzdan i konstruktivan partner.
- Našim klijentima obezbeđujemo kvalitetne proizvode i usluge koristeći prednosti digitalne transformacije.
- Mi smo efikasna i ekonomična organizacija. Poslujemo u sinergiji unutar banke, kao i sa svim našim ograncima u najvećem mogućem obimu.
- Pažljivo upravljanje rizikom je stub oslonca naše celokupne organizacije i procesa.
- Kao članica RBI mreže, doprinosimo postizanju ukupnih ciljeva grupacije, stvarajući održivu i natprosečnu stopu prinosa na kapital.
- Ohrabrujemo naše zaposlene da budu preduzimljivi i pokazuju inicijativu, te podstičemo njihov razvoj. Mi smo izvanredan poslodavac koji stavlja poseban akcenat na unapređenje ključnog osoblja i najdarovitijih pojedinaca.

Raiffeisen Bank International at a Glance

RBI regards Austria, where it is a leading corporate and investment bank, as well as Central and Eastern Europe (CEE) as its home market.

Subsidiary banks cover 13 markets across the region. In addition, the Group includes numerous other financial service providers active in areas such as leasing, asset management and M&A.

In total, almost 47,000 RBI employees serve 16.1 million customers in more than 2,100 business outlets, the vast majority of which are in CEE. RBI AG shares have been listed on the Vienna Stock Exchange since 2005.

At year-end 2018, RBI's total assets stood at € 140 billion. The regional Raiffeisen banks hold approximately 58.8 percent of RBI shares, with the remaining approximately 41.2 percent in free float.

Kratak pregled Raiffeisen Bank International

Raiffeisen Bank International AG (RBI), svojim matičnim tržištem smatra Austriju, gde je vodeća privredna i investiciona banka, kao i srednju i istočnu Evropu.

Mreža poslovnica pokriva 13 tržišta širom ovog regiona. Pored toga, grupacija obuhvata brojne druge kompanije pružaoce finansijskih usluga aktivnih u segmentima kao što su lizing, upravljanje sredstvima, kao i pripajanja i akvizicije.

Ukupno oko 47.000 zaposlenih u mreži RBI uslužuje 16,1 miliona klijenata u preko 2.100 poslovnica, prvenstveno u srednjoj i istočnoj Evropi. Deonice RBI AG listirane su na Bečkoj berzi od 2005. godine.

Krajem 2018. godine, ukupna aktiva RBI iznosila je 140 milijardi evra. Regionalne Raiffeisen banke drže oko 58,8% deonica RBI-a, do je ostatak od 41,2% u slobodnoj prodaji.

Macroeconomic Environment, Opportunities for Foreign Investors and Perspectives

The European Commission announced the EU Accession Strategy for the Western Balkans, by which the EU is honoring the Balkan countries for their long-term commitment to join the EU, which was temporarily put on hold due to the Greek debt crisis, Great Britain's exit from the EU, as well as the migrant crisis in 2015. Serbia is presented as one of the leading countries in the "race" to join the EU, and the year 2025 is given approximately, rather than as the final term of joining the EU, on condition further improvement is achieved as regards the rule of law, reducing corruption, etc.

The process of opening chapters as part of the negotiation process of joining the EU was continued by opening of the following chapters: 13, chapter on fishing, 33, chapter on financial and budget stipulations, chapter 17 covering the independence of the central bank in economic and monetary policy and chapter 18, which includes the segment of statistics with the aim of providing reliable and accurate data for estimating the situation in society and in state institutions. So far, in negotiations regarding Serbia's joining the EU, a total of 16 out of 35 chapters were opened and two were temporarily closed.

The Executive Board of the International Monetary Fund (IMF) officially approved the 30-month "Policy Coordination Instrument" on July 18, after the three-year precautionary agreement expired in February this year. The new arrangement has been designed to maintain macroeconomic and financial stability, on the other hand to support structural and institutional reforms which will contribute to the further strengthening of the economy, new employment and generally living standard improvement. The first control within this arrangement was performed at the end of 2018 and the institution positively rated the implementing of the economic programme, as well as the budget for 2019 which supports the achieved fiscal stability.

Standard & Poor's (S&P's) rating agency improved the outlook for increasing Serbia's credit rating for long-term indebtedness in domestic and foreign currency from "stable" to "positive" and confirmed Serbia's credit rating at BB

level. According to this agency, the decision on improving the outlook for increasing the credit rating of Serbia was brought based on strong economic growth and results of monetary policy as regards maintaining the price and financial stability. Taking into account the results achieved, Standard & Poor's (S&P's) agency estimates that Serbia's rating could be increased in the following twelve months if the strong economic growth could be increased, while reducing public debt and maintaining external sustainability.

Macroeconomic Trends

The Republic Statistics Bureau did a major revision of data for the gross domestic product (GDP) according to the ESA 2010 methodology (European System of National Accounts) according to the production and expenditures approach, in current and permanent prices for the period 2005-2017. The major revision process is conducted every five years, as a result of greater economy scope, growth rates increased for the whole period under revision, i.e. slump rates were reduced and the GDP level increased in the absolute amount. Some of the changes were the following: improved data on import of goods, a new state sector classification was implemented, better estimate of formal employment, economic accounts for agriculture will be fully implemented, which will enable more correct measurements of fruit production, etc.

According to the Republic Statistics Bureau, GDP growth in 2018 was estimated at 4.4 percent, which is the highest growth rate since the beginning of the financial crisis in 2008. The strong economic growth was boosted by the low base effect in 2017, the growth of gross investments into fixed assets (plus 9.1 percent annually), to be more precise, state infrastructural projects performed in 2018. Further, the positive effect was also a result of wholesale trade (plus 9.1 percent), retail trade (plus 4.5 percent), hospitality services (plus 10.1 percent), tourism (plus 12.3 percent), while the negative net effect of import increased in 2018 after having appeared in 2017 for the first time. The reason is, on the one hand, a slowdown in export growth and on the other, strong import growth.

Makroekonomsko okruženje, mogućnosti za strane investitore i perspektive

Evropska komisija (EK) objavila je Strategiju proširenja Evropske unije na Zapadni Balkan, kojom EU odaje priznanje balkanskim zemljama za dugoročnu posvećenost procesu pridruživanja EU, a koji je bio privremeno prekinut tokom perioda grčke krize duga, izlaska Velike Britanije iz EU, te izbegličke krize u 2015. godini. Srbija je predstavljena kao jedna od vodećih zemalja u „trci“ ka EU, a 2025. godina se navodi kao indikativni datum, a ne kao krajnji rok ulaska u EU pod pretpostavkom daljeg unapređenja vladavine prava, smanjenja korupcije, itd.

Proces otvaranja poglavlja u okviru pregovaračkog procesa pridruživanja Evropskoj Uniji nastavljen je otvaranjem sledećih poglavlja: 13, poglavje o ribarstvu, 33, poglavje o finansijskim i budžetskim odredbama, poglavje 17 koje pokriva nezavisnost centralne banke u ekonomskoj i monetarnoj politici i poglavje 18, koje obuhvata oblast statistike s ciljem da se obezbede pouzdani i tačni podaci za procene stanja u društvu i državnim institucijama. Do sada je u pregovorima o prijemu Srbije u EU otvoreno 16 od ukupno 35 poglavlja, a privremeno su zatvorena dva.

Izvršni odbor Međunarodnog monetarnog fonda (MMF) 18. jula zvanično je odobrio tridesetomesecni „Instrument koordinacije politika“ (PCI) nakon što je u februaru ove godine istekao trogodišnji ugovor iz predostrožnosti. Novi aranžman je dizajniran da održi makroekonomsku i finansijsku stabilnost, a sa druge strane potpomogne strukturne i institucionalne reforme koje će doprineti jačem rastu ekonomije, novom zapošljavanju i generalno poboljšanju životnog standarda. Prva kontrola u okviru ovog aranžmana izvršena je krajem 2018. godine, a institucija je pozitivno ocenila sprovođenje ekonomskog programa kao i budžeta za 2019. godinu koji podržava postignutu fiskalnu stabilnost.

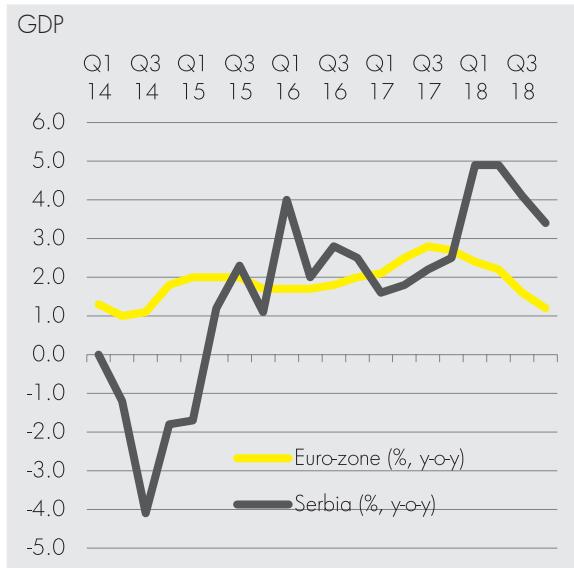
Rejting agencija Standard & Poor's (S&P's) popravila je izglede za povećanje kreditnog rejtinga Srbije za dugoročno zaduživanje u domaćoj i stranoj valuti sa „stabilnih“ na „pozitivne“ i potvrdila kreditni rejting Srbije na nivou BB. Prema ovoj agenciji, odluka o popravljanju izgleda za povećanje kreditnog rejtinga Srbije doneta je

na osnovu snažnog privrednog rasta i rezultata monetarne politike u pogledu očuvanja cenovne i finansijske stabilnosti. Uzimajući u obzir postignute rezultate, agencija Standard & Poor's ocenjuje da bi rejting Srbije mogao biti povećan u narednih dvanaest meseci ukoliko se nastavi snažan privredni rast, uz smanjenje javnog duga i očuvanje spoljne održivosti.

Makroekonomski trendovi

Republički zavod za statistiku (RZZS) uradio je veliku reviziju podataka za bruto domaći proizvod (BDP) po metodologiji ESA 2010 (Evropski sistem nacionalnih računa) prema proizvodnom i rashodnom pristupu, u tekućim i stalnim cenama za period 2005-2017. godine. Proces velike revizije sprovodi se svake pete godine, a kao rezultat većeg obuhvata ekonomije, povećane su stope rasta za ceo posmatrani period, tj. smanjene stope pada i povećan je nivo BDP-a u apsolutnom iznosu. Neke od izmena su sledeće: poboljšani su podaci o uvozu robe, implementirano je novo razgraničenje sektora države, bolja je procena formalne zaposlenosti, ekonomski računi poljoprivrede biće u potpunosti implementirani, što će omogućiti tačnije merenje voćarske proizvodnje, itd.

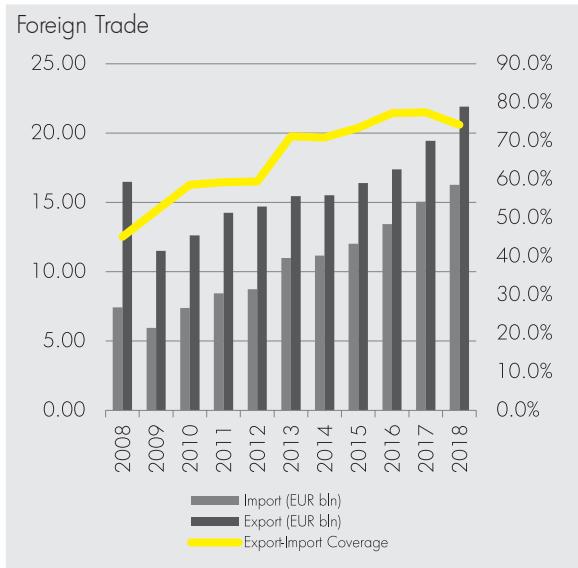
Prema RZZS-u, rast BDP-a u 2018. godini procenjen je na 4,4%, što je najviša stopa rasta od početka globalne finansijske krize u 2008. godini. Snažnom rastu ekonomije doprineo je efekat niske baze iz 2017. godine, rast bruto investicija u osnovna sredstva (+9,1% godišnje), tačnije infrastrukturni projekti države izvedeni u toku 2018. godine. Dalje, pozitivan efekat došao je i od trgovine na veliko (+9,1%), trgovine na malo (+4,5%), usluge ugostiteljstva (+10,1%), turizma (+12,3%), dok se negativan neto efekat izvoza povećao u 2018. nakon što se prvi put pojavio u 2017. godini. Razlog je s jedne strane usporavanje rasta izvoza, a sa druge strane snažan rast uvoza.



The GDP growth rate in the fourth quarter slowed down growth to 3.4 percent annually after 4.1 percent in the third, 4.9 percent in the second and 4.9 percent in the first quarter. The slowdown in GDP growth in the fourth quarter and strong growth in the first three quarters were partially influenced by the base effect that was quite low in the first two quarters in 2017, while recording a growth in the third quarter of 2017. From the expenditures side, the greatest contribution to the economic growth came from investments (plus 3.2 percent annually). However, they slowed down the growth pace after the average growth of 11.1 percent in the first three quarters because with some projects a high level of completion was realized and the winter season started.

The net negative effect was lower due to continuing exports growth in the fourth quarter. Household expenditures maintained a similar growth rate in the fourth quarter (plus 3.2 percent annually), as in the third quarter, supported by the slight growth of salaries and employment, while state expenditures slowed down their growth a bit (plus 3.3 percent annually), after 4.0 percent annually in the third quarter. As regards industries, the greatest contribution to economic growth in the fourth quarter came from agriculture (plus 15.6 percent annually), construction (plus 2.7 percent annually), wholesale and retail trade (plus 6.5 percent annually), while the processing industry and energy sector realized a slump of 2.5 percent annually, because of the bad performance of mining, but also the significant slowdown in the processing industry this year.

It is evident that domestic factors, retail consumption and state investments into infrastructure, as well as good weather conditions compared to 2017, had a dominant role in economy growth this year, and that the slowdown of EU countries' export demand and the dynamics of eurozone economic growth are still not reflected in domestic conditions.

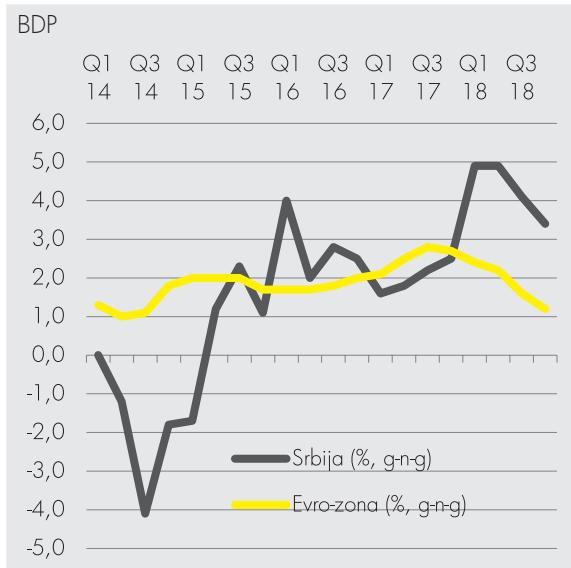


Compared to the third quarter of 2018, the drop in unemployment in the fourth quarter of 2018 was mostly generated by the completion of seasonal jobs in agriculture, as well as in the category of persons with lower and medium education levels.

The unemployment rate grew to 12.9 percent in the fourth quarter of 2018, after reaching 11.3 percent in the third quarter, 11.9 percent in the second quarter and 14.8 percent in the first quarter. On average, the unemployment rate dropped to 12.7 percent in 2018, after 13.5 percent in 2017. When we compare the fourth quarter of 2018 with the same quarter of 2017, employment improved by 53,800. Within total employment, there was a reduction of informal employment (minus 37,000) and an increase in declared employment (91,000) in the processing industry, administration, construction and wholesale and retail trade.

A slowdown in industrial production growth in 2018 (plus 1.3 percent y-o-y) compared to 2017 (plus 3.5 percent y-o-y) is a result of production decline in mining (plus 4.8 percent y-o-y) and a significant slowdown in the processing sector (plus 1.9 percent y-o-y), compared to 2.7 percent y-o-y and 6.4 percent y-o-y respectively in 2017. Production and supply of electricity, gas, steam and air conditioning recovered (plus 1.2 percent y-o-y) compared to 2017 when they realized a fall by 6.4 percent y-o-y. The growth in industrial production and processing sector in 2018 was the lowest since 2014 when the country was hit by devastating floods.

Having in mind the very favorable domestic conditions (high inflow of foreign direct investments, macroeconomic stability achieved and growth in credit activity), we suppose that external factors contributed to this result. Namely, increased risks in global markets (trade war threat, Brexit and other risks present) resulted in a slowdown of both the EU economy and, as a consequence, also the export demand for domestic products. It is a fact that 18 out of 24 industries register a positive growth rate, however, the physical production level was significantly reduced. This indicator grew by only 2 percent in 2018, after having reached its maximum in 2015 (plus 8.3 percent annually).



Stopa rasta bruto domaćeg proizvoda (BDP) u četvrtom kvartalu usporila je rast na 3,4% godišnje posle 4,1% godišnje u trećem, 4,9% u drugom i 4,9% u prvom kvartalu. Usporavanje rasta BDP-a u četvrtom i snažan rast u prva tri kvartala delimično su obojena efektom baze koja je bila dosta niska u prva dva kvartala 2017. godine, da bi se povećala u trećem kvartalu 2017. Gledano sa rashodne strane, najveći doprinos rastu ekonomije dale su investicije (+3,2% godišnje). Međutim, one su usporile tempo rasta nakon prosečnog rasta od 11,1% u prva tri kvartala, zato što je kod nekih projekata dostignut visok stepen završenosti i početak zimske sezone.

Neto negativan efekat izvoza se smanjio zbog nastavka rasta izvoza u četvrtom kvartalu. Potrošnja domaćinstava zadržala je sličnu stopu rasta u 4. kvartalu (+3,2% godišnje) kao i u 3. kvartalu podržano blagim rastom zarada i zapošljavanja, dok je potrošnja države malo usporila rast u 4. kvartalu (+3,3% godišnje), nakon 4,0% godišnje u 3. kvartalu. Od industrija, najveći doprinos rastu ekonomije u četvrtom kvartalu, dale su poljoprivreda (+15,6% godišnje), građevinarstvo (+2,7% godišnje), trgovina na veliko i malo (+6,5% godišnje), dok je sektor prerađivačke industrije i energetike ostvario pad od 2,5% godišnje, zbog lošeg performansa rudarstva, ali i značajnog usporavanja prerađivačke industrije ove godine.

Evidentno je da domaći faktori, potrošnja stanovništva i investicije države u infrastrukturu, ali i dobri vremenski uslovi u odnosu na 2017. godinu, imaju dominantnu ulogu u rastu ekonomije ove godine, i da se usporavanje izvozne tražnje EU zemalja i dinamike rasta ekonomije evrozone još uvek ne reflektuje na domaće uslove.



U poređenju sa trećim kvartalom 2018. godine pad zaposlenosti u četvrtom kvartalu 2018. godine uglavnom je generisana prestankom sezonskih poslova u poljoprivredi u kategoriji lica sa nižim i srednjim nivoima obrazovanja.

Stopa nezaposlenosti porasla je na 12,9% u četvrtom kvartalu 2018. godine, nakon što je zabeležila 11,3% u trećem kvartalu, 11,9% u drugom kvartalu i 14,8% u prvom kvartalu. U proseku, stopa nezaposlenosti pala je na 12,7% u 2018. godini posle 13,5% u 2017. godini. Kada poređimo četvrti kvartal 2018. godine sa istim kvartalom 2017. godine, zaposlenost je povećana za 53.800. U okviru ukupne zaposlenosti došlo je do smanjenja neformalne zaposlenosti (-37.000) i povećanja formalne zaposlenosti (91.000) u sektorima prerađivačke industrije, administracije, građevinarstva i trgovine na veliko i malo.

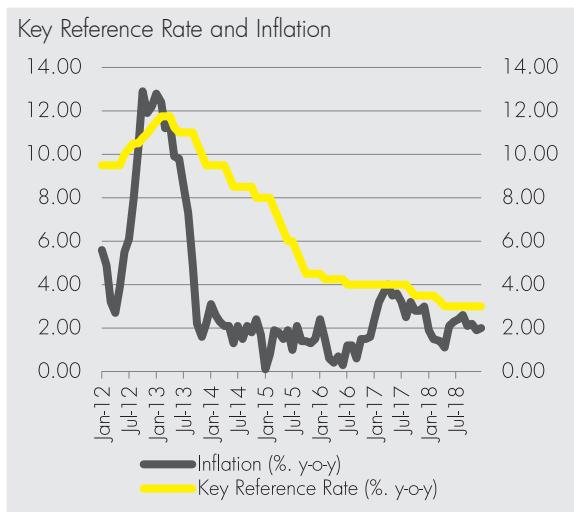
Usporavanje rasta industrijske proizvodnje u 2018. godini (+1,3% g-n-g) u poređenju sa 2017. godinom (+3,5% g-n-g) rezultat je pada rудarstva (+4,8% g-n-g) i značajnog usporavanja prerađivačkog sektora (+1,9% g-n-g), u poređenju sa 2,7% g-n-g i 6,4% g-n-g respektivno u 2017. godini. Proizvodnja i snabdevanje električnom energijom, gasom, parom i klimatizacijom su se oporavili (+1,2% g-n-g) u poređenju sa 2017. godinom kada su ostvarile pad od 6,4% g-n-g. Rast industrijske proizvodnje i prerađivačkog sektora u 2018. godini najniži je od 2014. godine kada je zemlja bila pogodžena velikim poplavama.

S obzirom na vrlo povoljne domaće uslove (visok priliv stranih direktnih investicija, postignuta makroekonomска ravnoteža i rast kreditne aktivnosti), prepostavljamo da su eksterni faktori doprineli ovom rezultatu. Naime, povećani rizici na globalnim tržištima (pretnja trgovinskog rata, Bregxit i ostali prisutni rizici) rezultirali su usporavanjem kako ekonomije EU, pa posledično i izvozne tražnje za domaćim proizvodima. Činjenica je da 18 od 24 sektora beleže pozitivnu stopu rasta, međutim značajno je smanjen fizički obim proizvodnje. Ovaj indikator porastao je za samo 2% u 2018. godini nakon što je dostigao svoj maksimum u 2015. godini (+8,3% godišnje).

The processing industry growth was supported by growth in the production of coke and crude oil derivatives, leather products, basic metal products, production of electrical appliances, etc. The production of vehicles in FIAT, Kragujevac was still plummeting (minus 4.1 percent annually) after a slump of 3.3 percent y-o-y in 2017.

Export slowed down growth in 2018 (plus 8.1 percent y-o-y), after growth of 12.1 percent y-o-y in 2017 due to a slowdown in export demands of the EU, whose economy slowed down growth in 2018. The export of FIAT vehicles no longer dominate the export structure, instead, electrical machinery, appliances and devices are prevalent. The export structure is still quite diversified thanks to the inflow of foreign direct investments into various sectors, including: iron and steel, ferrous metals, natural rubber products, clothing, chemical products, etc. For the first time in 2013, the title of the greatest exporter was taken from FIAT by the HIBIS group which bought the Smederevo steel mill in 2016.

The import growth rate in 2018 (plus 13 percent y-o-y) remained at a level similar to the one in 2017 (plus 13.6 percent y-o-y), as well as the import structure: energy fuels (the result is partly due to the growth in crude oil prices in global markets), then import of iron, steel, ferrous metals, electrical machinery and other products and raw materials necessary for a new investment cycle. Because of import growth, the coverage of import by exports fell slightly to 74.2 percent in 2018 compared to 77.6 percent in 2017.



Inflation slowed down growth to 2 percent annually for the whole of 2018, after the somewhat stronger growth of 3 percent in 2017. However, the growth of prices in 2017 was, for the most part, the result of one-time increases in food prices due to very low temperatures during the winter and spring, so the slightly higher base in 2017 for this product category contributed to inflation slowdown in 2018. Apart from this, the high base of communications prices also had its effect, as had the failing to increase the regulated prices compared to the plan initially set up by the government.

In the course of 2018, inflation was outside the inflation corridor (3 percent plus/minus 1.5 percentage points), because of which the National Bank of Serbia (NBS) lowered the key reference rate twice by a total of 50 base points to 3 percent and kept it at this rate until the end of the year. In May, inflation returned into the targeted corridor. Almost all categories of products and services marked moderate and quite lower growth rates compared to 2017, except for fuel prices whose strong growth (plus 5.8 percent annually) in 2018 was also the result of a price correction in the domestic market due to its growth in global markets. Also, the prices of alcoholic beverages and tobacco also had a somewhat higher growth rate (plus 5.4 percent), as in 2017, due to an increase in excise tax rates. The drop in unemployment rate and the strong economic growth have not yet been reflected on a more significant growth in personal consumption that would boost base inflation growth, which reached the lowest level (1 percent) since 2008.

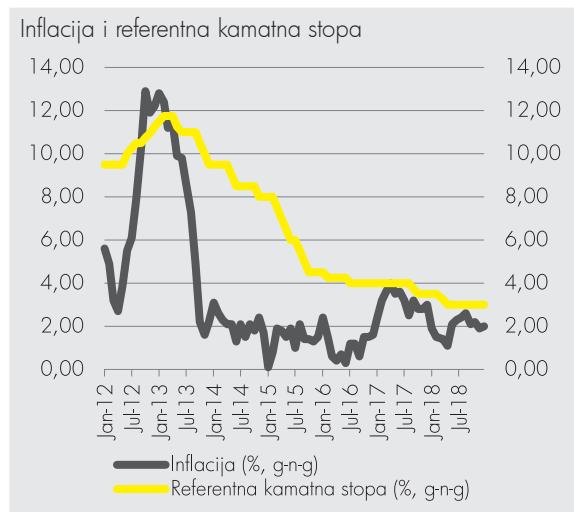
The dinar marked a strengthening trend in relation to the euro thanks to the inflow of foreign direct investments, export, inflow of foreign currency payments from abroad (2018: €2.5 billion), banks increasingly drawing credits from their head offices abroad and issuing securities of the Ministry of Finance. However, a more pronounced strengthening of the domestic currency was prevented by the foreign currency interventions of the NBS in the foreign currency market (€2.1 billion), that were at a similar level as in 2017 (€2 billion) and were mostly on the buying side (€1.8 billion). Compared to 2017, the dinar nominally strengthened by 0.24 percent and the difference between the minimal (118.00) and maximum values (119.00) of the dinar amounted to only 0.99 dinars.

Foreign direct investments reached a record level in 2018 (€3.2 billion) for the first time since 2011. The greatest contribution to this growth came from the payment of the concession fee (€500 million) by Vinci company and the privatization income (€306.9 million) by Zijin company for the acquisition of Mining and Smelting Basin Bor.

Rast prerađivačke industrije bio je podstaknut rastom proizvodnje koksa i derivata nafte, proizvodnje kože, proizvodnje osnovnih metala, proizvodnje električne opreme, itd. Proizvodnja automobila u FIAT-u, Kragujevac je i dalje bila u padu (-4,1% godišnje) nakon pada od 3,3% g-n-g u 2017. godini.

Izvoz je usporio rast u 2018. godini (+8,1% g-n-g), nakon rasta od 12,1% g-n-g u 2017. godini zbog usporavanja izvozne tražnje Evropske unije čija ekonomija je usporila rast u 2018. godini. Izvoz FIAT-ovih automobila više ne dominira u strukturi izvoza, već su to električne mašine, aparati i uređaji. I dalje je struktura izvoza dosta diversifikovana zahvaljujući priliv stranih direktnih investicija (SDI) u različite sektore uključujući: gvožđe i čelik, obojeni metali, proizvodi od kaučuka, odevne predmete, hemijske proizvode, i ostalo. Prvi put od 2013. godine titulu najvećeg izvoznika od FIAT-a je preuzeila HIBIS grupa koja je kupila Železaru Smederevo u 2016. godini.

Stopa rasta uvoza u 2018. godini (+13,0% g-n-g) ostala je na sličnom nivou kao u 2017. godini (+13,6% g-n-g), kao i struktura uvoza: energenti (delimično je rast rezultat rasta cena nafte na globalnim tržištima), potom uvoz gvožđa, čelika, obojenih metala, električnih mašina i ostalih proizvoda i sirovina neophodnih za nov investicioni ciklus. Zbog rasta uvoza, pokrivenost uvoza izvozom blago je pala na 74,2% u 2018. godini u poređenju sa 77,6% u 2017. godini.



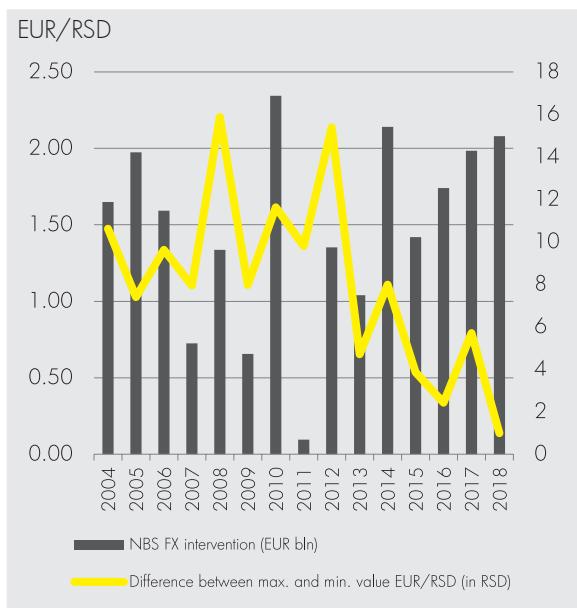
Inflacija je usporila rast na 2% godišnje za celu 2018. godinu nakon nešto snažnijeg rasta od 3% u 2017. godini. Međutim, rast cena u 2017. godini je najvećim delom bio opredeljen jednokratnim povećanjima cena hrane usled jako niskih temperatura tokom zime i proleća, tako da

je nešto viša baza iz 2017. godine kod ove kategorije proizvoda doprinela usporavanju inflacije u 2018. Pored toga, visoka baza kod cena komunikacija je takođe imala svoj efekat ali i podbacivanje u povećanju regulisanih cena u odnosu na prvobitno postavljen plan Vlade.

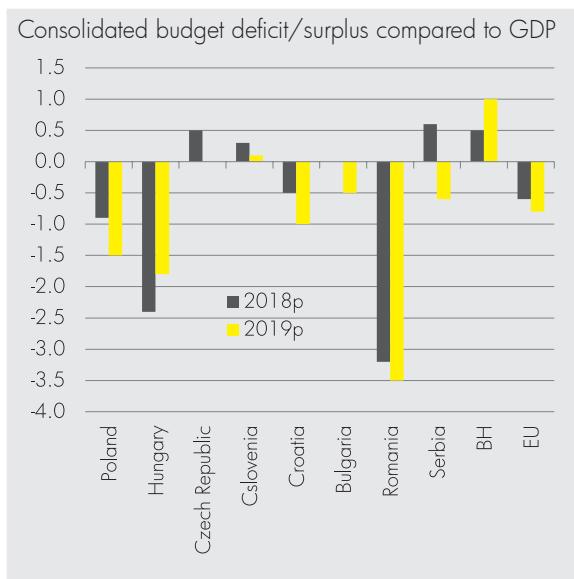
U toku 2018. godine inflacija je bila van inflacionog koridora (3% +/- 1,5pp) zbog čega je Narodna banka Srbije (NBS) smanjila referentnu kamatnu stopu dva puta za ukupno 50 baznih poena na 3,0% i na tom nivou zadržala stopu sve do kraja godine. U maju se inflacija vratila u targetirani koridor. Gotovo sve kategorije proizvoda i usluga beležile su umerene i dosta niže stope rasta u odnosu na 2017. godinu, osim cena goriva čiji je snažan rast (+5,8% godišnje) u 2018. godini bio posledica korekcija cena na domaćem tržištu usled njihovog rasta na globalnim tržištima. Takođe, cene alkoholnih pića i duvana imale su, kao i u 2017. godini, nešto višu stopu rasta (+5,4%) usled povećanja akciznih stopa. Pad stope nezaposlenosti i snažan rast ekonomije još uvek se nije odrazilo na značajniji rast lične potrošnje koja bi podstakla rast bazne inflacije koja je dostigla najniži nivo (1%) od 2008. godine.

Dinar je pokazao trend jačanja u odnosu na evro zahvaljujući prilivu stranih direktnih investicija, izvozu, prilivu doznaka iz inostranstva (2018: 2,5 milijadi evra), povećanom povlačenju kredita banaka od matice u inostranstvu i emitovanju hartija od vrednosti Ministarstva finansija. Međutim, izraženije jačanje domaće valute sprečeno je deviznim intervencijama NBS na deviznom tržištu (2,1 milijadi evra) koje su bile na sličnom nivou kao u 2017. godini (2,0 milijadi evra) i uglavnom su bile na kupovnoj strani (1,8 milijadi evra). U odnosu na 2017. godinu, dinar je nominalno ojačao za 0,24% a razlika između minimalne (118,00) i maksimalne vrednosti (119,00) dinara je iznosila svega 0,99 dinara.

Strane direktnе investicije su dostigle rekordan nivo u 2018. godini (3,2 mld evra) prvi put od 2011. godine. Najveći doprinos ovom rastu došao je od uplate koncesione naknade (500 mln evra) od strane Vinci kompanije i privatizacionog prihoda (306,9 mln evra) od Zijin kompanije za akviziciju RTB Bora.



The non-consolidated budget of the Republic of Serbia is in surplus for the second year in a row. In 2018, the surplus (RSD 32 billion) was slightly lower in relation to 2017 (RSD 33 billion). Budget revenue and expenditures had a similar growth rate in 2018, 5.4 percent and 5.7 percent respectively, however, when compared to the previous years, a slowing down of budget revenue growth is evident, especially for tax revenues. The slowing down of the growth of tax revenues was partly the result of low inflation, and partly due to a narrower space in increasing the efficiency of tax collection. As concerns expenditures, their growth was doubled in 2018 compared to the year before, due to correction of income in public sector and pensions and the policy of increased investing into capital investments. Interest expenditures have been in decline for the second year in a row because of the downward trajectory of interest rates both in the local and in foreign markets. As a result, the budget surplus of the state reached 0.6 percent of the GDP after 0.7 percent in 2017.



For the first time since introducing savings measures in 2015, debt started growing in 2018 – mostly as a result of benchmark issues in the domestic market (but also foreign exchange differences) with the aim to include these issues into one of the bond indices for developing markets. However, the repayment of the due eurobond at the end of the year in the value of USD 1 billion had an impact on the public debt slump to EUR 23 billion, while it fell compared to the GDP to 53 percent in 2018 (from 61.4 percent in 2017), partly influenced by the GDP revision.

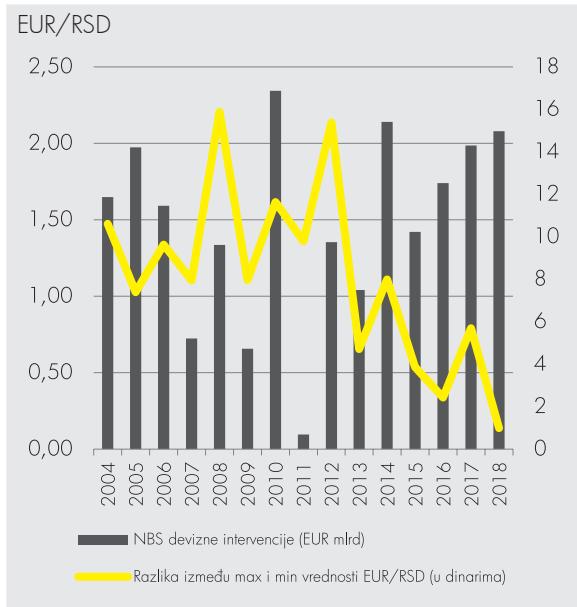
The Ministry of Finance's T-bills issues in the domestic market in the course of 2018 (EUR 2.4 billion) significantly exceeded the needs of debt refinancing (EUR 1.9 billion). Namely, the Public Debt Authority issued the "benchmark issues" of five-year and ten-year securities with the aim of qualifying these securities, in time, for entry into the JP Morgan EMBI index. Aiming to increase the dinar participation in the total public debt, issues of dinar-denominated securities made up a total of 76.4 percent of the total debt issued, and their value reached EUR 1.8 billion.

Good fiscal performance and a stable macroeconomic environment had an impact on the further growth in trust of investors and moving the yield curve towards longer maturities. According to the last data from September 2018, three-year T-bills had the greatest share in the total portfolio structure (28 percent), followed by five-year T-bills (23 percent) and seven-year T-bills (19 percent). Compared to 2017, the share of five-year securities increased (2017: 15 percent) and ten-year securities rose from 6.3 percent in 2017 to 15.7 percent in September 2018. Average yields on dinar-denominated securities fell to 4.36 in 2018 from 4.74 percent in 2017, and the average yield on euro-denominated T-bills of the Ministry of Finance fell to 1.28 percent in 2018 from 1.57 percent in 2017.

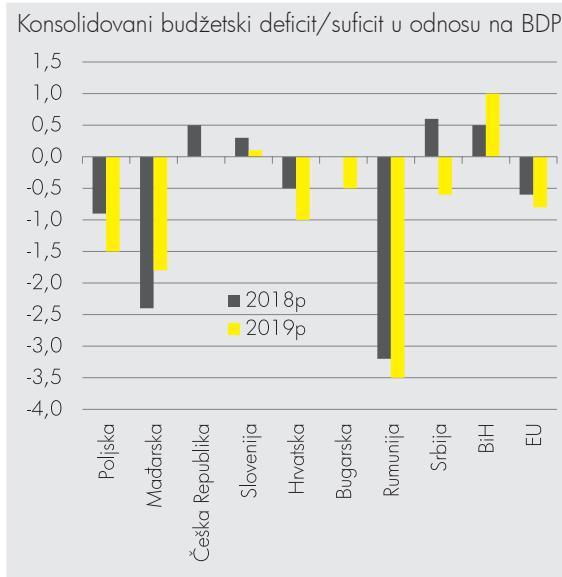
Trends in the Banking Industry

The significant recovery of the credit activity growth in the banking industry of 9.8 percent (2017: 2.8 percent) was spurred by economic growth in 2018, a drop in the unemployment rate, low interest rates and consumption growth. The contribution to this credit growth came both from retail loan growth (plus 12.5 percent), as well as from corporate loan growth, which recovered significantly in 2018 (plus 7.2 percent), after a modest growth of 1.4 percent in 2017. This rate is even greater when the write-off effect and the sale of non-performing loans are excluded.

The volume of newly issued loans to citizens kept growing (plus EUR 954.3 million) compared to 2017 (plus 562.4 million), and most funds were placed into cash loans (plus EUR 613.6 million). Mortgage and consumer loans dominate the total retail loan portfolio, with shares of 41.5 percent and 41.6 percent respectively. Investment credits issued to corporates recovered (plus 12.2 percent) after a slump of 7.2 percent in 2017, as well as credits for liquidity and working capital (plus 7.8 percent) after a growth of 6.7 percent in 2017.



Nekonsolidovani budžet Republike Srbije je drugu godinu zaredom u suficitu. U 2018. godini suficit (32 milijarde dinara) je bio blago niži u odnosu na 2017. godinu (33 milijarde dinara). Budžetski prihodi i rashodi su imali sličnu stopu rasta u 2018. godini, 5,4% i 5,7% respektivno, ali u poređenju sa prethodnim godinama evidentno je usporavanje rasta budžetskih prihoda, naročito poreskih prihoda. Usporavanje rasta poreskih prihoda delimično je rezultat niske inflacije, a delimično i suženog prostora u povećanju efikasnosti naplate poreza. Što se tiče rashoda, njihov rast je udvostručen u 2018. u odnosu na prethodnu godinu usled korekcije zarada u javnom sektoru i penzija i politike povećanog investiranja u kapitalne investicije. Troškovi kamata su drugu godinu zaredom u padu zbog silazne putanje kamata kako na domaćem tako i na stranim tržištima. Posledično, suficit budžeta države je dostigao 0,6% BDP posle 0,7% u 2017. godini.



Prvi put od uvođenja mera štednje u 2015. godini, dug je krenuo da raste u 2018. godini – najviše zbog emitovanja referentnih emisija duga na domaćem tržištu (ali i kursnih razlika) sa ciljem da se ove emisije uključe u jedan od indeksa obveznica za tržišta u razvoju. Međutim otplata dospelog eurobonda na kraju godine u vrednosti od 1 milijarde dolara, uticala je na pad javnog duga na 23 milijarde evra, dok je u odnosu na BDP javni dug pao na 53,0% u 2018. godini (sa 61,4% u 2017. godini), na što je delimično uticala i revizija BDP-a.

Emisije B-zapisu Ministarstva finansija na domaćem tržištu tokom 2018. godine (2,4 milijardi evra) značajno su premašile potrebe refinansiranja duga (1,9 milijardi evra). Naime, Uprava za javni dug (UJD) emitovala je „referentne emisije“ petogodišnjih i desetogodišnjih hartija od vrednosti sa ciljem da se u perspektivi ove hartije kvalifikuju za ulazak u JP Morgan EMBI index. U cilju povećanja učešća dinarskog duga u ukupnom javnom dugu, emisije dinarski denominovanih hartija od vrednosti činile su 76,4% ukupno emitovanog duga, a njihova vrednost dostigla je 1,8 milijardi evra.

Dobre fiskalne performanse i stabilno makroekonomsko okruženje uticalo je na dalji rast poverenja investitora i pomeranja krive prinosa ka dužim ročnostima. Prema poslednjim podacima iz septembra 2018. godine, najveće učešće u strukturi ukupnog portfolija imali su trogodišnji B-zapisi (28%), petogodišnji (23%) i sedmogodišnji (19%). U odnosu na 2017. godinu povećalo se učešće petogodišnjih hartija od vrednosti (2017: 15%) i desetogodišnjih hartija od vrednosti sa 6,3% u 2017. na 15,7% u septembru 2018. godine. Prosečni prinosi na dinarski-denominovane hartije od vrednosti pali su na 4,36 u 2018. godini sa 4,74% u 2017. godini, a prosečan prinos na evro-denominovane B-zapise Ministarstva finansija pao je na 1,28% u 2018. godini sa 1,57% u 2017. godini.

Kretanja u bankarskoj industriji

Značajan oporavak rasta kreditne aktivnosti bankarskog sektora od 9,8% (2017: 2,8%) bio je podstaknut rastom ekonomije u 2018. godini, padom stope nezaposlenosti, niskim kamatnim stopama i rastom potrošnje. Doprinos ovom rastu kredita došao je kako iz rasta kredita stanovništvu (+12,5%), tako i rasta kredita privredi, koji su se u 2018. godini značajno oporavili (+7,2%) nakon skromnog rasta od 1,4% u 2017. godini. Ova stopa je još viša kada se isključi efekat otpisa i prodaje problematičnih kredita.

Volumen novoplasiranih kredita stanovništvu nastavio je da raste (+954,3 miliona evra) u poređenju sa 2017. godinom (+562,4 miliona evra), a najviše sredstava plasirano je u gotovinske kredite (+EUR 613,6 miliona). Stambeni i potrošački krediti dominiraju u ukupnom portfoliju kredita odobrenih stanovništvu, sa učešćem od 41,5% i 41,6% respektivno. Investicioni krediti plasirani privredi su se oporavili (+12,2%) nakon pada od 7,2% u 2017, kao i krediti za likvidnost i obrtna sredstva (+7,8%) nakon rasta od 6,7% u 2017.

Due to the significant growth in retail loans issued for longer terms, the NBS introduced a limitation to loan indebtedness up to 60 percent for all loan types (as the ratio of monthly loan liabilities and regular monthly net income of the debtor). In the case of violating this ratio, the bank is under the obligation to reduce capital in the amount of the remaining debt. Further, banks are limited to issue only consumer loans in 2019 (except for purchase of vehicles) and cash loans for a maximum period of seven years, otherwise they need to reduce the capital for the whole unpaid amount of the principal of the liabilities from that debtor.

Thanks both to credit growth as well as to the strategy of solving non-performing loans, the NPL ratio continued to fall to 6.4 percent in the third quarter of 2018, from 9.8 percent in 2017. The greatest slump was realized by NPLs issued to corporates which amounted to 5.7 percent in the third quarter of 2018, after 10.8 percent in 2017.

The NPL ratio of credits approved to corporates was also on the decline to 7.7 percent in the third quarter of 2018, from 10.7 in 2017, as was the case with retail loans, where it declined in the third quarter of 2018 to 4.7 percent after 5.6 percent in 2017. Current account overdraft NPLs had the greatest decline to 7.2 percent in the third quarter of 2018 (2017: 10.8 percent).

The coverage of NPLs by the total calculated reserve for estimated balance and non-balance losses was at a very high level and amounted to 153.3 percent in September 2018 (2017: 133.2 percent). Also, capital adequacy is still much above the mandatory 12 percent, and this ratio amounted to 22.8 percent in September 2018 (2017: 22.6 percent).

Unlike 2017, when banks directed liquidity surplus into repo operations with the NBS, in 2018 the trend changed, so that the greatest part of financing sources was directed into retail and corporate crediting. The loan/deposit cover ratio remained at a stable level in 2018, namely 94.4 percent (2017: 99.2 percent), because loans and deposits had a similar dynamics growth.

Total deposits realized an exceptional growth in 2018 (plus 2.6 billion) compared to 2017 (plus EUR 552.9 million). Corporate deposits (plus EUR 971.4 million) and retail deposits (plus EUR 994.3 million) contributed equally. Even deposits of public enterprises marked a significant growth of EUR 527.2 million.

The privatization process of banks in state ownership started, which is one of the requirements of the new arrangement with the IMF. The state announced the tender for the selection of a financial advisor in the process of privatization of Komercijalna banka, and in the case of JUBMES banka, the Ministry of Finance announced the call for selling 28.5 percent of capital. As regards banking sector consolidation, Societe Generale bank signed an agreement to sell the bank to Hungarian OTP Group. The integration process of Piraeus bank into the system of Direktna banka was finalized in 2018.

The profitability of the domestic banking industry measured by capital earnings was somewhat lower in the period January–September 2018 (10.7 percent), compared to the same period the year before (11 percent), because the profit level remained the same, while the capital grew significantly compared to the year 2017. Thanks to credit activity growth, interest rate earnings grew (plus 4 percent in the period January–September 2018, compared to the same period the year before). The business income/expenditures ratio grew to 60.4 percent in January–September 2018, compared to 59.6 percent in the period January–September 2017, mostly due to lower business income.

Usled značajnog porasta potrošačkih kredita koji su odobravani na duge rokove, NBS je uvela ograničenje kreditne zaduženosti od 60% za sve vrste kredita (kao odnos mesečnih kreditnih obaveza i redovnih neto mesečnih prihoda dužnika). U slučaju kršenja ovog racija, banka je u obavezi da smanji kapital u iznosu ostatka duga. Dalje, banke su ograničene da u 2019. godini mogu da odobravaju potrošačke (izuzev za kupovinu automobila) i gotovinske kredite najduže na period do maksimalno sedam godina, u suprotnom će morati da umanjuje kapital za celokupan neotplaćeni iznos glavnice tog potraživanja od dužnika.

Zahvaljujući rastu kredita kao i strategiji rešavanja problematičnih kredita, racio problematičnih kredita nastavio je da pada na 6,4% u 3. kvartalu 2018. godine sa 9,8% u 2017. godini. Najveći pad je ostvario racio problematičnih kredita odobrenih privredi koji je u trećem kvartalu 2018. godine iznosio 5,7% nakon 10,8% u 2017. godini.

Racio problematičnih kredita odobrenih preduzetnicima takođe je bio u padu na 7,7% u 3. kvartalu 2018 sa 10,7% u 2017. godini, kao i u slučaju stanovništva, gde je ostvario pad u 3. kvartalu 2018. godine na 4,7% nakon 5,6% u 2017. Problematični krediti po minusnom saldu po tekućem računu imali su najveći pad na 7,2% u trećem kvartalu 2018. godine (2017: 10,8%).

Pokrivenost problematičnih kredita ukupno obračunatom rezervom za procenjene bilansne i vanbilansne gubitke bila je na izuzetno visokom nivou i iznosila je 153,3% u septembru 2018. godine (2017: 133,2%). Takođe adekvatnost kapitala je i dalje dosta iznad propisanih 12%, a visina ovog racija u septembru 2018. godine iznosila je 22,8% (2017: 22,6%).

Za razliku od 2017. godine, kada su banke viškove likvidnosti usmeravale uglavnom u repo operacije kod Narodne banke Srbije (NBS), u 2018. godini se promenio trend, tako da je najveći deo izvora finansiranja usmeren na kreditiranje privrede i stanovništva. Racio pokrivenosti kredita depozitima ostao je na stabilnom nivou u 2018. od 94,4% (2017: 99,2%) jer su krediti i depoziti rasli sličnom dinamikom.

Ukupni depoziti ostvarili su izuzetan rast u 2018. godini (+2,6 milijardi evra) u odnosu na 2017. godinu (+552,9 miliona evra). Podjednak doprinos dali su kako depoziti privrede (+971,4 miliona evra) tako i depoziti stanovništva (+994,3 milion evra). Čak su i depoziti javnih preduzeća imali značajan rast od 527,2 miliona evra.

Započet je proces privatizacije banaka u državnom vlasništvu što je i jedan od zahteva novog aranžmana sa MMF-om. Država je objavila tender za izbor finansijskog savetnika u procesu privatizacije Komercijalne banke, a u slučaju JUBMES banke, Ministarstvo finansija objavilo je poziv za prodaju 28,5% kapitala.

Što se tiče konsolidacije bankarskog sektora, Societe Generale banka potpisala je ugovor o prodaji banke OTP grupaciji iz Mađarske. Proces integracije Piraeus banke u sistem Direktne banke okončan je u 2018. godini.

Profitabilnost domaće bankarske industrije merena prinosom na kapital bila je nešto niža u periodu januar-septembar 2018. godine (10,7%) u poređenju sa istim periodom prethodne godine (11,0%) jer je nivo profit-a ostao isti, dok je kapital značajno porastao u odnosu na 2017. godinu. Zahvaljujući rastu kreditne aktivnosti prihodi kamatnih stopa su porasli (+4,0% u periodu januar-septembar 2018. godine u odnosu na isti period prethodne godine). Racio pokrivenosti poslovnih rashoda sa poslovnim prihodima porastao je na 60,4% januar-septembar 2018. godine u poređenju sa 59,6% u periodu januar-septembar 2017. godine uglavnom zbog manjih poslovnih prihoda.

Social Responsibility

For as many as 18 years, Raiffeisen banka has been committed to promoting a continuing practice of socially responsible behavior as a mandatory business segment and an important indicator of professionalism.

The bank's tendency has always been to support the most vulnerable or the weakest parts of the community, such as children, the sick, or individuals with special needs. Also, the bank nurtures the principle of loyalty to the market where it does business, but also a responsible relationship towards all employees and the natural environment where we belong and operate.

Socially responsible behaviour of the bank includes activities through two humanitarian funds: "Budimir Boško Kostić" (founded in memory of the first Chairman of Raiffeisen banka) and "H. Stepic CEE Charity" (founded by the Chairman of Raiffeisen Bank International, Dr. Herbert Stepic).

In the course of 2018, the "H. Stepic CEE Charity", cooperating with Raiffeisen banka in Serbia, continued to offer financial support to three projects in our country. They included support for Day Care Centers for children who live and/or work in the streets of Belgrade and Novi Sad, as well as a corner for migrant children at the Migrant Reception Center in Subotica.

In the past year, traditional projects were continued where the bank's employees are voluntary blood donors, and their number exceeded 140 in 2018.

As concerns support for children, a key part of the charity work of the bank is a suitable volunteering project of its employees marking the International Children's Day (June 1st), when the primary school "Radoje Domanović" in Belgrade was cleaned up.

Continuing the very successful activities realized during the previous nine years, in 2018 a jubilee project of this kind was organized, when employees of Raiffeisen banka collected New Year's presents for children coming from vulnerable social groups, children with developmental problems, disabled children or children without parental care placed in institutional homes. More than 700 presents were collected, bringing joy to children living in as many as ten institutions in cities across Serbia.

At the beginning of 2018, the second socially responsible campaign was organized, entitled "Discount on Art", in cooperation with the Yugoslav Drama Theatre, which the bank has been sponsoring for more than a decade. Through this project, the bank and this theater offered citizens a top theatrical experience in the course of January, with prices reduced to symbolic amounts. This project was record-breaking, because as many as 12,000 tickets were sold in just two days.

Apart from its humanitarian activities, the bank recognizes the importance of responsible human resources management and so tries to provide a working environment where employees will be satisfied and work in positions that correspond to their skills and knowledge, with the possibility of further professional and personal development.

The ecological dimension relates to efforts the bank is investing in order to create a balance between the need for economic growth on the one hand, and maintaining a healthy environment on the other. Special attention is focused on saving energy, paper and electronic waste recycling, further, in designing installation systems of the bank's new headquarters, the principles of saving energy by applying modern energy recuperation systems and optimization of technical parameters for ventilation and cooling were taken into account.

The issue of business ethics is certainly one of the most important, so the bank strives to make the following its basic business ethics: transparency and work ethics, quality service and a comprehensive product offer, constant client care and responsible marketing, as well as respecting the current legislative framework and competition integrity.

Društvena odgovornost

Raiffeisen banka je punih 18 godina posvećena promovisanju kontinuirane prakse društveno odgovornog ponašanja, kao nezaobilaznog segmenta poslovanja i važnog pokazatelja profesionalizma.

Tendencija banke je uvek da se podrška odnosi na najugroženije ili najslabije delove zajednice, kao što su to deca, bolesni, pojedinci sa posebnim potrebama. Takođe, negujemo princip lojalnosti na tržištu na kome radimo, ali i odgovoran odnos prema svojim zaposlenima i prirodnom okruženju u kome poslujemo.

U društveno odgovorno ponašanje treba uvrstiti i delovanje banke preko dve humanitarne fondacije: „Budimir Boško Kostić“ (osnovane u znak sećanja na prvog direktora banke) i „H. Stepic CEE Charity“ (čiji osnivač je bivši predsednik Raiffeisen Bank International-a, dr. Herbert Stepic).

U toku 2018. godine, humanitarna fondacija „H. Stepic CEE Charity“, uz podršku Raiffeisen banke u Srbiji, nastavila je da pruža finansijsku pomoć trima projektima u našoj zemlji. U okviru njih podržan je rad Dnevnih centara za decu koja žive i/ili rade na ulici u Beogradu i Novom Sadu, kao i dečiji kutak pri Prihvatom centru za izbeglice u Subotici.

I protekle godine nastavljene su tradicionalne akcije u okviru kojih zaposleni banke dobrovoljno daju krv, a njihov broj je u 2018. godini premašio 140.

Kako pomoći deci čini ključni deo strategije humanitarnog delovanja banke, još jednom prigodnom volonterskom akcijom zaposlenih obeležen je i Međunarodni dan dece (1. jun), a u okviru koje je uređena osnovna škola „Radoje Domanović“ u Beogradu.

Nastavljajući veoma uspešne volonterske akcije realizovane tokom prethodnih devet godina, zaposleni Raiffeisen banke su u 2018. organizovali jubilarnu, desetu akciju prikupljanja novogodišnjih paketića za decu iz ugroženih socijalnih grupa, decu sa smetnjama u razvoju ili decu u domovima bez roditeljskog staranja. Prikupljeno je oko 700 paketića koji su obradovali decu u čak 10 institucija u gradovima širom Srbije!

Početkom godine održana je druga društveno odgovorna kampanja „Popust na umetnosti“, i to u saradnji sa Jugoslovenskim dramskim pozorištem, čiji je banka generalni pokrovitelj više od decenije. Ovom akcijom banka i pozorište pomogli su građanima da tokom januara sebi obezbede vrhunski pozorišni doživljaj po cenama karata sniženim na simbolične iznose. Akcija je oborila rekord jer je čak 12.000 karata prodato za nepuna dva dana.

Pored filantropskog i društveno odgovornog delovanja, banka prepoznaje i značaj odgovornog upravljanja ljudskim resursima, te se trudi da obezbedi radno okruženje u kome će zaposleni biti zadovoljni i raditi na pozicijama koje odgovaraju njihovim znanjima i veštinama, uz mogućnost daljeg profesionalnog i ličnog razvoja.

Ekološka dimenzija poslovanja odnosi se na napore koje banka ulaže kako bi uspostavila ravnotežu između potrebe za ekonomskim rastom sa jedne strane, i očuvanja zdravog okruženja sa druge. Vodi se računa o uštedi energije, reciklaži papira i elektronskog otpada, a instalacioni sistemi upravne zgrade banke funkcionišu po principima uštede energije primenom savremenih sistema rekuperacije energije i optimizacije tehničkih parametara za ventilaciju i hlađenje.

Pitanje poslovne etike je svakako jedno od najvažnijih, tako da banka teži da osnovni principi njenog poslovanja budu transparentnost i etičnost u radu, kvalitetna usluga i raznovrsna ponuda proizvoda, konstantna briga o klijentima i odgovoran marketing, uz poštovanje važeće regulative i integriteta konkurenčije.

Corporate Banking

In 2018, Corporate Banking posted another very successful business year, achieving overall profitability significantly above targets, supported by growing assets and positive gross income development coming from all major products.

Supported by the growing Serbian economy and corporate market with more dynamic economic and FDI growth, the corporate segment succeeded in significantly growing both asset portfolio (plus 9 percent y-o-y) and liability volumes (plus 27 percent y-o-y) in 2018, while maintaining prudent risk approach from the past years, which resulted in excellent portfolio quality and strong reduction of non-performing loans (NPL). The highly competitive banking sector for corporate clients remained characterized by persistent market challenges such as low interest rate environment/high over-liquidity and reducing client rates and margins.

The corporate segment maintained its successful strategy and primary client focus by preserving long-term partnerships with its primary credit portfolio clients and focus on well-structured deals, as well as by supporting healthy business activities of its clients by continually providing high-quality services and ensuring a prudent risk policy.

Also, the bank is confirming its leading position in the multinational segment from year to year, with a strongly developed multinational desk, by servicing the most important and largest foreign investors in Serbia, as well as the main government partners in infrastructure, digital and agricultural projects.

Development of Key Products and Innovations

Business activities, initiatives and new product offers in the corporate banking segment in 2018 were aligned to business conditions and a more favorable market environment. Raiffeisen banka successfully met the financing needs of its clients, offering a comprehensive and high-quality product range of credit and other products and services, in the following categories: corporate credits (incl. standard credit and revolving facilities, project financing, syndication loans, etc.), trade finance facilities (guarantees, letters of credit, factoring, bills of exchange products), deposits, treasury products (spot transactions, forward, quasi forward, interest rate swap, hedging instruments, broker and custody services), domestic and international payment transactions, POS-terminals, e-commerce, business cards and electronic banking.

The acquisition of quality clients through offering various financing possibilities was the focus in 2018 as well. The bank successfully met the financing needs of its clients through an active offer of competitive lending conditions. Special emphasis was put on the further improvement of cash management products, particularly through digitalization and capital-light products such as documentary business and treasury products.

At the same time, the successful sales management approach was maintained, which is reflected in the concept of proactive planning/execution monitoring, as well as through structured account planning/joint strategy development towards large GCC groups and systematic sales campaigns and pricing actions.

This is confirmed by the bank's leading market position and stable business development with large multinational corporates which are active in more countries, with a strong focus on tailor-made products and services (e.g. escrow accounts, syndication deals, project finance, etc).

Related to new initiatives and innovations, the main emphasis has been placed on additional new initiatives in cash management and account services, as well as further enhancements of the RaiffeisenOnLine electronic platform and implementation of digital banking strategy for electronic banking.

The main achievements and focus areas in 2018/2019 include:

- Continuing to improve RaiffeisenOnLine: further development and upgrade of the Guarantee/Credit platform, security concept in accordance with the Group Directive, sending RSD cash-out payment orders via e-banking, sending salary payments file for automatic reconciliation, new KYC platform);
- Explore synergies between RaiffeisenOnLine and mBanking, as well as sales campaign for mBanking;
- Improvement of different cash management products and services: SWIFT FileAct, SWIFT GPI, instant payments;
- Maintain the number of payment orders processed via electronic channels, as well as continuous actions from the bank's side in terms of client education as regards all benefits of the e-banking platform.

In addition, the corporate segment continued to further exploit all the advantages of the existing CRM Siebel platform, to give an additional boost to loan process automation, qualitative client targeting as well as to encourage proactive sales and cross-selling.

Poslovanje sa privredom

U 2018. godini, poslovanje sa privredom zabeležilo je još jednu veoma uspešnu poslovnu godinu, sa ukupnim rezultatima koji su u velikoj meri iznad predviđenih ciljeva, kao rezultat rastuće aktive, pozitivnog razvoja u pogledu ukupnog prihoda od svih najvažnijih proizvoda.

Podržan rastućom ekonomijom u Srbiji i tržištu privrede koje pokazuje dinamičniji ekonomski rast, kao i rast stranih direktnih investicija, segment za poslovanje sa privredom uspeo je da značajno uveća kako portfolio aktive (+ 9% g-n-g) tako i volumene obaveza (+ 27% g-n-g), održavajući strog pristup riziku od prethodnih godina, što je kao rezultat imalo značajno poboljšanje kvaliteta portfolija i veliko smanjenje loših kredita. Veoma konkurentan bankarski sektor za klijente iz privrede i dalje su karakterisale stalne tržišne promene, kao što su okruženje niskih kamatnih stopa, prevelika likvidnost, kao i manje kamatne stope i margine.

Segment poslovanja sa privredom zadržao je svoje osnovno usmerenje na klijente i uspešnu strategiju u poslovanju: očuvanje dugoročnih partnerstava sa klijentima iz primarnog kreditnog portfolija, usmerenje na dobro strukturisane poslove, kao i podrška zdravim poslovnim aktivnostima klijenata stalnim pružanjem kvalitetnih usluga i osiguravanjem stroge politike upravljanja rizikom.

Takođe, iz godine u godinu, banka potvrđuje svoju lidersku poziciju u multinacionalnom segmentu, sa veoma razvijenom platformom za multinacionalne klijente, koja opslužuje najvažnije i najveće investitore u Srbiji, kao i najvažnije partnere Vlade u infrastrukturnim i poljoprivrednim projektima.

Razvoj ključnih proizvoda i inovacije

Poslovne aktivnosti, inicijative i nove ponude proizvoda u segmentu privrednog bankarstva u 2018. bili su u skladu sa uslovima poslovanja i boljom situacijom na tržištu. Raiffeisen banka je uspešno izašla u susret finansijskim potrebama svojih klijenata, nudeći sveobuhvatnu i visoko kvalitetnu ponudu proizvoda kredita, kao i ostalih proizvoda i usluga u sledećim kategorijama: krediti za privedu (uključujući standardne kredite i kreditne linije na revolving osnovi, finansiranje projekata, sindicirane kredite, itd), finansiranje trgovine (garancije, akreditivi, faktoring, menični proizvodi), depoziti, proizvodi sredstava (spot transakcije, forvard, kvazi forvard, kamatni svop, hedžing instrumenti, brokerske i kastodi usluge), domaće i međunarodne platne transakcije, POS-terminali, poslovne platne kartice i elektronsko bankarstvo.

Akvizicija kvalitetnih klijenata putem ponude različitih mogućnosti finansiranja bila je usmerenje i u 2017. godini. Banka je uspešno odgovorila na potrebe klijenata za finansiranjem putem aktivne ponude konkurentnih kreditnih uslova. Poseban akcenat stavljen je na poboljšanje proizvoda keš menadžmenta, posebno putem digitalizacije i tzv capital-light proizvoda, kao što su dokumentarni poslovi i proizvodi sredstava.

U isto vreme, segment za poslovanje sa privredom održao je uspešan prodajni pristup, koji se ogleda u konceptu proaktivnog planiranja/praćenja izvršavanja, kao i putem razvoja planiranja zajedničke strategije prema velikim grupacijama povezanih lica, kao i sistematskim prodajnim kampanjama i cenovnim akcijama.

Ovaj pristup potvrđen je vodećom pozicijom banke na tržištu i stabilnim razvojem poslovanja sa velikim multinacionalnim kompanijama koje su aktivne u više zemalja, sa posebnim usmerenjem na namenski osmišljene proizvode i usluge (npr. računi za posebne namene, kreditne kartice, proizvodi sredstava, itd).

U vezi sa novim inicijativama i inovacijama, osnovno usmerenje je na daljem razvoju celog segmenta keš menadžmenta, daljim unapređenjima elektronske platforme RaiffeisenOnline, kao i na i uvođenju strategije digitalnog bankarstva za elektronsko bankarstvo.

Najvažnija dostignuća i segmenti usmerenja u 2018/2019. uključuju:

- Nastavak poboljšanja platforme RaiffeisenOnline (u toku je razvoj platforme za garancije i kredite, koncept sigurnosti razvija se u skladu sa direktivama Raiffeisen grupacije, povlačenje naloga za dinarsko plaćanje putem elektronskog bankarstva, slanje dokumenta za isplatu plata na automatsko usaglašavanje, nova KYC platforma);
- Istraživanje sinergije između platformi RaiffeisenOnline i mBanking, kao i prodajna kampanja za mBanking
- Unapređenje različitih proizvoda i usluga u segmentu keš menadžmenta: SWIFT proizvodi (SWIFT FileAct, SWIFT GPI), instant plaćanja;
- Održavanje, tj. povećanje broja platnih naloga koji se obrađuju elektronski, stalna edukacija klijenata od strane banke u smislu predstavljanja svih prednosti platforme za elektronsko bankarstvo.

Pored toga, segment za poslovanje sa privredom nastavio je sa daljim korišćenjem svih prednosti postojeće CRM Siebel platforme, kako bi se dodatno podstaknula automatizacija procesa kreditiranja, kvalitativno targetiranje klijenata, kao i aktivna podrška proaktivnoj i unakrsnoj prodaji.

Pored aktivnog prodajnog pristupa, sektor za poslovanje sa

Along with an active sales approach, the corporate segment focused on additional measures to improve the process and reduce operational cost. New projects were initiated to explore additional possibilities to increase earnings, maintain the CIR on a budgeted level as well as to simultaneously improve organizational structure (e.g. corporate support team to relax and improve KYC process). This resulted in a more efficient and leaner organization within the overall corporate segment.

Client Relationship Quality

High trust and stability of cooperation between the bank and its corporate clients were the key factor in overcoming challenges caused by the still unstable and complex market environment. By its committed approach, based primarily on quality, Raiffeisen banka will remain a reliable long-term partner to its clients in the future as well.

privredom bio je dodatno usmeren na mere koje unapređuju proces i smanjuju operativne troškove. Novi projekti inicirani su kako bi se istražile dodatne mogućnosti za uvećanje zarada, kao i da se, istovremeno, poboljša organizaciona struktura, sa ciljem da se CIR održi na budžetiranom nivou, te da se istovremeno poboljša organizaciona struktura (npr. formiranje tima podrške za poslovanje sa privredom kako bi se olakšali i poboljšali KYC procesi). Rezultat svega toga je kreiranje efikasnije organizacije u okviru celokupnog segmenta poslovanja sa privredom.

Kvalitet odnosa sa klijentima

Veliko poverenje i stabilnost saradnje između banke i njenih klijenata iz privrede bili su ključni faktori u prevazilaženju izazova koje je uzrokovalo još uvek nestabilno i složeno tržišno okruženje. Svojim posvećenim pristupom, zasnovanim prvenstveno na kvalitetu, Raiffeisen banka će ostati pouzdan dugoročni partner svojim klijentima i u budućnosti.

Retail Banking

In 2018, Retail banking realized the best results since the bank's establishment in Serbia in 2001. The focus in 2018 was the further development of the bank's digital offer, including the implementation of artificial intelligence into the process of offering services to clients, the further opening of branch offices and redesigning the existing ones, with introducing the most up to date multifunctional devices, which enable a broad range of services and significantly shorten the transaction time.

Apart from the abovesaid, further improvement of the loan product offer was undertaken. All these activities were followed by continuous work on improving the bank's service quality. The results of these efforts are visible in the fact that the number of clients in 2018 grew by 4.8 percent compared to the year before, despite strong competitiveness in the banking industry.

With a market share of approx. 8.7 percent in the segment of cash loans, Raiffeisen banka takes up one of the leading positions in the market. In the course of 2018, the growth of newly issued loans exceeded 20 percent compared to the year before. In the segment of loan products, most activities were focused on expanding the offer of innovative products, finding the optimal price level and product combination.

In the deposit products segment, the fact was confirmed that safety and tradition were the main factors when choosing a savings bank, which is reflected in the fact that the level of deposits from natural persons grew significantly, almost as much as 8.5 percent compared to the end of 2017.

Raiffeisen banka continued its card portfolio growth in 2018 as well, both in the segment of acceptance and issuance of payment cards. The annual growth in the number od payment cards at the end of 2018 was 15 percent compared to 2017.

In the course of 2018, the bank continued offering benefits to its clients, such as the approval and issuing of a credit card to the amount of RSD 60,000 within 15 minutes, in just one visit to the bank's branch office and, on the other hand, enabling the payment of monthly installments without interest. Interest-free payment is enabled for all payments of goods and services in the country and abroad, as well as paying via the internet. Depending on the amount, the payment may be split into 3, 6 or 12 installments.

As a result of the strong focus on the credit card segment, the bank maintained its market share of 20 percent and the annual growth of gross income by 14 percent.

At the beginning of 2018, the bank launched a new digital service intended for all users of VISA debit and credit cards – mPay application, which enables contactless payments via mobile phone. The application is available for users of smart mobile phones which support NFC technology and have at least Android 4.4. operating system. The mPay application rating of 4.2 on PlayStore is proof of customer satisfaction.

As concerns the acceptance of payment cards, the number of POS terminals in the acceptance network is growing continuously. At the end of 2018, the number of Raiffeisen banka's POS terminals was 3,771. Also, the bank continues the expansion of the network of merchants who accept payment cards through web shops.

At the end of 2018, the bank also launched the innovative service entitled "turn-key", which enables its clients a complete solution – web shop and portal for accepting payments via payment cards.

Premium Banking

The Premium banking service focused on strengthening and expanding its cooperation with existing clients through high service quality, as well as new client acquisition. A client base growth of 10 percent was achieved.

Continuous efforts to increase market awareness as regards alternative savings models and investment possibilities resulted this year also in increase in investment fund sales. Total Premium assets under management within funds grew by 9 percent compared to the previous year, while at the same time the deposit portfolio grew by 9 percent.

In 2018, the attractive offer of the bank's loan products, especially mortgage loans, influenced the continuing trend of loan portfolio growth, which is 16 percent compared to 2017.

Continuous work on affirming and promoting internet banking and the Raiffeisen banka mobile application, resulted in an extremely high self-service rate with Premium clients, which was 5 percent at the end of 2018.

In accordance with modern trends, in 2018 the service Premium Direct was at the disposal of Premium clients - a new, modern service enabling clients to use vide technology in everyday communication with the bank and using the full Premium Banking service without actually visiting the bank.

Poslovanje sa stanovništvom

Poslovanje sa stanovništvom je u 2018. godini zabeležilo najbolje rezultate od osnivanja banke u Srbiji 2001. godine. Fokus u 2017. godini bio je na daljem razvoju digitalne ponude banke uključujući i uvođenje veštačke inteligencije u procesu pružanja servisa klijentima, daljem otvaranju novih i redizajnu postojećih ekspozitura, uz uvođenje najsavremenijih višenamenskih uređaja, koje omogućuju širok spektar usluga i značajno skraćuju vreme obavljanja transakcija.

Pored navedenog, nastavljen je rad na daljem unapređenju ponude kreditnih proizvoda. Sve ove aktivnosti praćene su kontinuiranim radom na unapređenju kvaliteta usluga banke. Rezultati ovih napora vidljivi su u činjenici da je broj klijenata u 2018. porastao za 4,8% u odnosu na prethodnu godinu, uprkos snažnoj konkurenciji u bankarskom sektoru.

Raiffeisen banka, sa tržišnim učešćem od oko 8,7% u segmentu gotovinskih kredita, zauzima jednu od vodećih pozicija na tržištu. Tokom 2018. godine, rast novih plasmana bio je preko 20% u odnosu na prethodnu godinu. U domenu kreditnih proizvoda, većina aktivnosti bila je usmerena na proširenje ponude inovativnih proizvoda, pronalaženje optimalnog nivoa cena i kombinacije proizvoda.

U segmentu depozitnih proizvoda, potvrđena je činjenica da su sigurnost i tradicija glavni faktori prilikom izbora banke za štednju, što se ogleda u tome da je nivo depozita fizičkih lica značajno porastao, i to za skoro 8,5% u odnosu na kraj 2017. godine.

Raiffeisen banka nastavlja sa daljim rastom kartičnog portfolija i u 2018. godini, kako u segmentu izdavanja, tako i u segmentu prihvata platnih kartica. Godišnji rast broja platnih kartica na kraju 2018. godine bio je 15% u poređenju sa krajem 2017. godine,

Banka je tokom 2018. nastavila sa ponudom pogodnosti klijentima, kao što je odobrenje i izdavanje kreditne kartice u iznosu od 60.000 dinara u roku od 15 minuta, tokom samo jedne posete ekspozituri banke, i sa druge strane, omogućavanjem plaćanja na mesečne rata bez kamate. Plaćanje na rate bez kamate omogućeno je za sva plaćanja robe i usluga u zemlji i inostranstvu, kao i za plaćanje na internetu. U zavisnosti od visine iznosa, plaćanje se može podeliti na 3, 6 ili 12 rata.

Kao rezultat snažnog fokusa na segment kreditnih kartica, banka je zadržala tržišno učešće od 20% i godišnji rast bruto prihoda od 14%.

Banka je početkom 2018. godine lansirala novi digitalni servis namenjen svim korisnicima VISA debitnih i kreditnih kartica – mPay aplikaciju, koja omogućava beskontaktno plaćanje putem mobilnog telefona. Aplikacija je dostupna za korisnike smart mobilnih telefona, koji imaju podržanu NFC tehnologiju i minimalno Android operativni sistem 4.4. Ocena mPay aplikacije na PlayStore-u od 4.2 govori o zadovoljstvu korisnika.

Sa aspekta prihvata platnih kartica, broj POS terminala u akceptantskoj mreži kontinuirano raste. Na kraju 2018. godine, broj POS terminala Raiffeisen banke bio je 3.771. Takođe, banka nastavlja ekspanziju mreže trgovaca koji prihvataju platne kartice preko veb prodavnica.

Banka je krajem 2018. godine lansirala inovativnu uslugu nazvanu "ključ u ruke", gde svojim klijentima omogućava već gotovo kompletno rešenje – veb prodavnica i portal za prihvat plaćanja platnim karticama.

Premium bankarstvo

Usluga Premium bankarstva je i u 2018. godini u svom fokusu imala jačanje i proširenje saradnje sa postojićim klijentima kroz visok kvalitet usluge kao i akviziciju novih klijenata. Ostvaren je rast klijentske baze od 10%.

Stalni napor da se uveća svest tržišta o alternativnim vrstama štednje i mogućnostima investiranja i ove godine su rezultirali rastom prodaje investicionih fondova. Ukupna sredstva Premium klijenata pod upravljanjem u okviru fondova porasla su za 9% u odnosu na prethodnu godinu, dok je istovremeno ostvaren i porast depozitnog portfolija za 9%.

Tokom 2018. godine, atraktivna ponuda kreditnih proizvoda banke, posebno stambenih kredita, uticala je na nastavak trenda rasta kreditnog portfolija koji u odnosu na 2017. godinu iznosi 16%.

Kontinuiran rad na afirmaciji i promociji internet bankarstva i mobilne aplikacije Raiffeisen banke, doveo je do izuzetno visoke stope samousluživanja kod Premium klijenata koja na kraju 2018. godine iznosi 5%.

U skladu sa savremenim trendovima, tokom 2018. godine Premium klijentima je na raspolaganju i usluga pod nazivom Premium Direct – nov, moderan servis koji klijentima omogućava korišćenje video tehnologije u svakodnevnoj komunikaciji sa bankom, te korišćenje pune usluge Premium bankarstva bez dolaska u banku.

Small Enterprises and Entrepreneurs

The small enterprises and entrepreneurs segment had a very successful business year. The profit realized was at a record level of € 7.28 million, which is a result of continuous improvements of doing business from year to year.

Loan volumes increased by 15 percent as a result of various acquisition campaigns for new and existing clients, which caused greater loan exposure of quality clients.

Client deposits grew by 12 percent, which shows that clients are continuously expanding their business activities with Raiffeisen banka and view the bank as a safe and trustworthy partner.

The new sales concept implemented in the segment of small enterprises and entrepreneurs proved its good direction in 2018 as well, having in mind that a significant increase in the most important business parameters compared to the previous year was achieved, namely: the number of new clients grew by 17 percent, the loan portfolio grew by 39 percent and client deposits by 25 percent. All this resulted in a growth of total income in the micro segment by 29 percent compared to the previous year.

In the second half of the year, cooperation was established with EIF guarantee funds by implementing the Western Balkans and Innovfin programs, which enabled the bank to offer significant benefits to clients, both as regards longer terms of using the funds, as well as smaller requests for instruments of guarantees are concerned.

In the time of low interest rates, the small enterprises segment adjusted to business conditions in the market and recognized that only by improving service quality could it gain and maintain the confidence of its clients, as well as increase the volume of its clients' business activities through Raiffeisen banka. The fact that gross income of this segment increased by 25 percent on an annual level proves the correctness of such an approach in the best manner.

Innovative Banking

As regards digital banking, Raiffeisen banka was a pioneer in the market since the very beginning, having in mind that it was the first bank to offer internet banking as early as 2001. Despite the stiff competition in the digital arena, the bank took the leading position as regards penetration of active digital users (22 percent) in 2018. Mobile banking usage is increasingly growing with an increase of 28 percent year-on-year and for the first time it exceeds internet banking usage.



At the end of 2018, new versions of mobile and internet banking were released in a controlled environment for the bank's employees and test users. Mass application to the whole base of users is planned beginning 2019. This will bring a completely new user experience, primarily focused on simplifying existing functionalities, introducing new ones and consistency across channels. Everyday banking was enriched with services such as: real time notifications, secure inbox and receiving regular monthly bills in a format ready for payment by one click. An important aspect in the new digital channels are also activities in accordance to the new legal regulations, which enable a much easier purchase of banking products.

In the course of 2018, further development of REA, the Raiffeisen electronic assistant, was continued, i.e. the first communications platform based on artificial intelligence in the Serbian market and the Balkan countries. The new development cycle enabled more precise and better-quality replies from banking topics available to clients through the communications channels available so far: Facebook Messenger and Viber in Serbian and in English, in 24 hours, all seven days a week.

Further development of new communications scenarios was continued, as well as functionalities that will enable clients the most frequent daily banking activities through these platforms as well.

Mala preduzeća i preduzetnici

Segment poslovanja sa malim preduzećima i preduzetnicima imao je veoma uspešnu poslovnu godinu. Ostvareni profit je na rekornom nivou od 7,28 miliona evra, što je rezultat kontinuiranog unapređenja poslovanja ovog segmenta iz godine u godinu.

Kreditni volumeni povećani su za 15% kao posledica različitih akvizicionih kampanja za nove i postojeće klijente, što je uslovilo veću kreditnu izloženost kod kvalitetnih klijenata.

Depoziti klijenata povećani su za 12%, što pokazuje da klijenti konstantno povećavaju svoje poslovanje preko Raiffeisen banke i da je vide kao sigurnog i pouzdanog partnera.

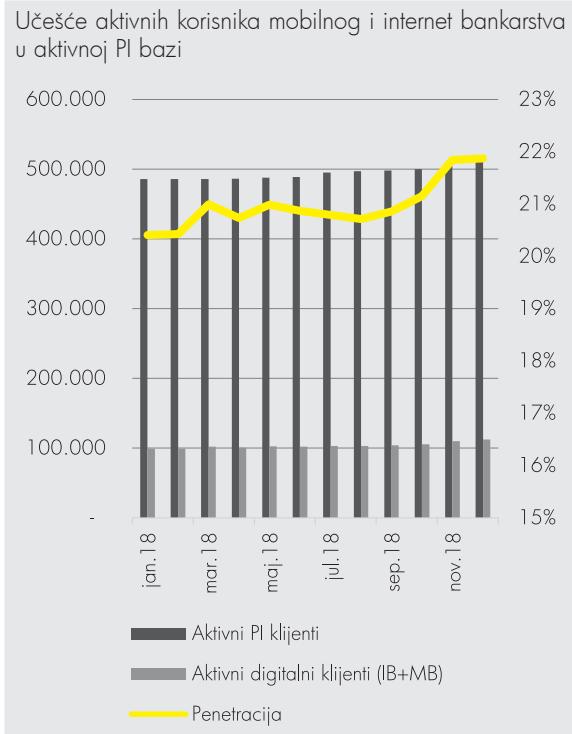
Novi prodajni koncept koji je implementiran u segmentu mikro preduzeća i preduzetnika, i 2018. godine potvrđuje dobar pravac, imajući u vidu da je ostvareno značajno povećanje najvažnijih parametara poslovanja u odnosu na prethodnu godinu, i to: broj novih klijenata porastao je za 17%, kreditni portfolio za 39%, a depoziti klijenata za 25%. Sve ovo rezultiralo je rastom ukupnih prihoda u mikro segmentu za 29% u odnosu na prethodnu godinu.

U drugoj polovini godine, uspostavljena je saradnja sa EIF garantnim fondovima implementacijom programa Western Balkans i Innovfin, što dozvoljava banci da klijentima omogući značajne pogodnosti, kako u delu dužeg roka korišćenja sredstava, tako i u delu manjih zahteva za sredstvima obezbeđenja.

U vremenu niskih kamatnih stopa, segment malih preduzeća prilagodio se tržišnim uslovima poslovanja i prepoznao da samo poboljšanjem kvaliteta usluga može da zadobije i održi poverenje klijenata, te da poveća obim poslovne aktivnosti klijenata preko Raiffeisen banke. Podatak da su ukupni prihodi segmenta povećani za 25% na godišnjem nivou najbolje potvrđuje ispravnost ovakvog pristupa.

Inovativno bankarstvo

Što se tiče digitalnog bankarstva, Raiffeisen banka je pionir na tržištu od samog početka, s obzirom da je prva banka koja je ponudila internet bankarstvo još 2001. godine. Uprkos oštroy konkurenциji u digitalnoj arenii, banka je zauzela vodeće mesto u penetraciji aktivnih digitalnih korisnika (22%) u 2018. godini. Korišćenje mobilnog bankarstva ubrzano raste sa uvećanjem od 28% godina-na-godinu i po prvi put premašuje korišćenje internet bankarstva.



Krajem 2018. godine, u kontrolisanom okruženju puštene su nove verzije mobilnog i internet bankarstva za zaposlene i testne korisnike. Planirana je široka primena na celu korisničku bazu već početkom 2019. godine. Ovo će doneti potpuno novo korisničko iskustvo, prvenstveno usmereno na pojednostavljenje postojećih, uvođenje novih funkcionalnosti i konzistentnost širom kanala. Svakodnevno bankarstvo obogaćeno je uslugama kao što su: obaveštenja u realnom vremenu, sigurni inboxi i dobijanje redovnih mesečnih računa u formi spremnoj za plaćanje jednim klikom. Značajan aspekt u novim digitalnim kanalima su i prodajne aktivnosti koje u skladu sa novom zakonskom regulativom omogućavaju znatno olakšanu kupovinu bankarskih proizvoda.

Tokom 2018. godine nastavilo se sa dajim razvojem REA – Raiffeisen elektronske asistentkinje, tj. prve komunikacione platforme zasnovane na veštačkoj inteligenciji na tržištu Srbije i zemalja Balkana. Novi razvojni ciklus omogućio je još preciznije i kvalitetnije odgovore iz bankarskih tema dostupne klijentima preko do sada dostupnih komunikacionih servisa: Facebook Messenger-a i Viber-a na srpskom i engleskom jeziku, tokom 24 sata, svih sedam dana u nedelji.

Nastavljen je i dalji razvoj kako novih komunikacionih scenarija, tako i funkcionalnosti koje će klijentima omogućiti najčešće aktivnosti iz dnevnog bankarstva i preko ovih platformi.

Direct sales, which includes sales outside of branch offices and is made up of product sales channels through direct agents and retail crediting have again achieved record results. The good cooperation practice with merchants continued through the retail crediting channel, so in 2018 distribution in 350 retail shops was provided.

The sales team is made up of 200 sales agents, and we are present in more than 70 cities in Serbia. A sales growth of 26 percent was realized compared to 2018. The network of direct sales agents realized a significant result in the segment of selling all three products: when we look at cash loans, the results realized in 2018 mark a growth by 13.3 percent, while the sales of current accounts grew by 45.5 percent and sales of credit cards grew by 33.8 percent, all compared to 2017. The share of this sales channel makes up 15.6 percent of the total products issued through all the bank's sales channels.

In 2017, the satellite application development process in the direct sales agents network was begun, as well as the substitution of the existing application in the segment of retail loans, in order to enable our clients to apply for the bank's products in an even faster and more efficient manner.

The digitalization of processes and products in all segments

of doing business with retail and corporate clients, as well as the further development and improvement of already existing solutions within the segment of digital banking was treated as the basic priority in 2018 as well, in order to enable the further planning of business growth and maintaining the market position. Clients' needs are directed towards greater comfort and faster communication with the bank, which it is possible to achieve only through these modes of communications and sales.

Service Quality

In the course of 2018, activities were continued towards improving service quality in all channels and segments.

Improving Processes in Branch Offices

During 2018, Raiffeisen banka continued its branch transformation process. Around 43 percent of the network was completely renovated and adjusted to the requirements of modern banking.

24-hour services were enabled seven days a week, as part of self-service zones where clients can perform various transactions on multifunctional machines – drawing cash from their accounts in RSD and EUR, payments to accounts in currencies RSD and EUR, account transfers, exchange transactions, payment of monthly bills, paying loan installments and credit card installments, as well as drawing money through the "Mobile Cash" application.

U okviru direktnе prodaje, koја obuhvata prodaju izvan filijala i čine јe kanali prodaje proizvoda preko direktnih agenata i kreditiranja u maloprodaji, ponovo su zabeleženi rekordni rezultati. Kroz kanal kreditiranja u maloprodaji nastavljena је dobra praksa saradnje sa trgovcima, па је u 2018. godini obezbeđena distribucija u 350 maloprodajnih objekata.

Prodajni tim sastavljen је od preko 200 agenata, а prisutni smo u više od 70 gradova u zemlji. Postignut је rast prodaje od 26% u odnosu na 2017. godinu. Mreža agenata direktnе prodaje ostvarila је značajan rezultat u delu prodaje sva tri proizvoda: kada posmatramo gotovinske kredite, rezultati ostvareni u 2018. godini beleže rast od 13,3%, dok је prodaja tekućih računa ostvarila rast od 45,5%, a prodaja kreditnih kartica rast od 33,8%, sve u odnosu na 2017. godinu. Učešće ovog kanala prodaje чини 15,6% od ukupnog plasmana proizvoda kroz sve prodajne kanale banke.

Tokom 2017. godine započet је proces razvoja satelitske aplikacije u mreži agenata direktnе prodaje i zamena postojeće u segmentu kreditiranja u maloprodaji, kako bi klijentima omogućili apliciranje za proizvode banke na još brži i efikasniji način.

Digitalizacija procesa i proizvoda u svim segmentima rada sa stanovništvom i pravnim licima, kao i dalji razvoj i unapređenje već postojećih rešenja u okviru digitalnog bankarstva postalo је tokom 2018. godine osnovni prioritet za dalje planiranje rasta poslovanja i očuvanja tržišne pozicije. Potrebe klijenata idu u pravcu sve većeg komfora i što brže komunikacije sa bankom, što je moguće ostvariti isključivo kroz ove vidove komunikacije i prodaje.

Kvalitet usluga

U 2018. godini nastavljene su aktivnosti na unapređenju kvaliteta pruženih usluga kroz sve kanale i segmente.

Unapređenje procesa u ekspoziturama

Tokom 2018. godine, Raiffeisen banka је nastavila proces transformacije svoje mreže. Oko 43% mreže potpuno renovirano i prilagođeno zahtevima savremenog bankarstva.

Omogućeno је pružanje usluga 24 časa dnevno, sedam dana u nedelji, i то u okviru zona samousluživanja u kojima klijenti na višenamenskim uređajima mogu da obavljaju različite transakcije – podizanje novca sa računa u valutama RSD i EUR, uplate na račune u valutama RSD i EUR, prenose sa računa, menjačke poslove, plaćanje mesečnih računa, plaćanje rate kredita i kreditnih kartica kao i isplata novca putem aplikacije „Mobilni KEŠ“.

Treasury and Investment Banking

The Treasury and Investment Banking Division greatly contributed to the achievement of the bank's total results and maintaining one of the leading positions in the market in 2018. The bank realized a high level of dinar and foreign currency liquidity during the whole year, as a result of professional management of the bank's assets.

Money Market, Foreign Exchange Trading and Managing the Bank's Assets and Liabilities

The National Bank of Serbia (NBS) continued the monetary policy of inflation rate targeting in 2018 as well. The NBS' Executive Board lowered the key interest rate in the course of the year twice by 25 percentage points both times, so the rate fell from 3.5 percent to 3.0 percent. The NBS' decision to correct the key interest rate only twice, was a result of the significantly lower inflation growth rate until June 2018 due to the high base in food, low import prices and strengthening of the dinar in relation to the euro. In the second half of the year, inflation started growing because of corrections in oil prices which grew in global markets and growth in excise rates on excise products, but at the end of the year it amounted to 2.0 percent, which is a lower level compared to 2017 (3 percent). Inflation entered the inflation corridor (3 percent +/- 1.5 percentage points) in May 2018 and remained in the corridor up to the end of the year.

The dinar exchange rate in 2018 ranged from 118.47 dinars for the euro at the beginning of the year, to 118.19 euros at the end of the year. The dinar had a strengthening trend in relation to the euro thanks to the high inflow of foreign direct investments (January – November: €2.2 billion), high exports, inflow of payments from abroad (January – November €2.4 billion), higher drawing of credits by banks from their head offices abroad and issuing securities by the Ministry of Finance. However, a more pronounced strengthening of the domestic currency was hindered by foreign currency interventions of the NBS on the foreign currency market (€2.1 billion), which were at a similar level as in 2017 (€2.0 billion) and they were mostly on the purchasing side (€1.8 billion).

The total turnover on the interbank market decreased from €13.33 billion in 2017 to €11.09 billion in 2018. The NBS intervened in the course of 2018 with €2.09 billion (€1,835 million of which relate to buying, and €255 million for the sale of foreign currency), which is €105 million more when compared to the total intervention in the course of 2017.

Raiffeisen banka was among the leading banks in foreign currency trading and foreign currency banknote trading on the interbank foreign currency market. The Treasury and Investment Banking Division of Raiffeisen banka realized a market share of 17.35 percent in trading products with corporate clients, thereby confirming its leading position in the market.

The Ministry of Finance invested efforts in the course of the previous year to boost investments into dinar bills, actively taking on debt in the local currency, with an interest rate dictated by demand at auctions and in the secondary market, where Raiffeisen banka realized a significant share in the sales of debt instruments of the Ministry of Finance with local and foreign investors.

In 2018, the Public Debt Administration issued benchmark issues of five-year and ten-year bonds realized in primary sales on the last auctions in the year at the accepted rate of 3.74 percent for five-year, i.e. 4.80 percent for ten-year bills. With the aim of successful liquidity management, Raiffeisen banka continued the diversification of its dinar investment portfolio by investing into T-bills of the Ministry of Finance.

Sektor sredstava i investicionog bankarstva

Sektor sredstava i investicionog bankarstva značajno je doprineo ostvarenju ukupnih rezultata banke i očuvanju pozicije među liderima na tržištu u 2018. godini. Banka je tokom cele godine imala visok nivo dinarske i devizne likvidnosti kao rezultat profesionalnog upravljanja sredstvima banke.

Tržište novca, trgovanje devizama i upravljanje aktivom i pasivom banke

Narodna banka Srbije (NBS) je i u 2018. godini nastavila sa monetarnom politikom targetiranja stope inflacije. Izvršni odbor NBS je u toku godine smanjio referentnu kamatnu stopu dva puta za po 25 procenatnih poena, sa 3,5% na 3,0%. Odluka NBS, da samo dva puta koriguje referentnu kamatnu stopu bila je rezultat značajno niske stope rasta inflacije do juna 2018. godine usled visoke baze kod hrane, niskih uvoznih cena i jačanja dinara u odnosu na evro. U drugom delu godine inflacija je počela da raste zbog korekcija cena nafte koje su rasle na globalnim tržištima i rasta akciznih stopa na akcizne proizvode, ali je na kraju godine iznosila 2,0% što je niži nivo u odnosu na 2017. godinu (3%). Inflacija je ušla u inflacioni koridor (3% +/- 1,5pp) u maju 2018. godine i ostala u koridoru do kraja godine.

Kurs dinara se u 2018. godini kretao u rasponu od 118,47 dinara za evro na početku godine, do 118,19 na kraju godine. Dinar je imao trend jačanja u odnosu na evro zahvaljujući visokom prilivu stranih direktnih investicija (januar-novembar: 2,2 milijardi evra), visokom izvozu, prilivu doznaka iz inostranstva (januar-novembar: 2,4 milijardi evra), povećanom povlačenju kredita banaka od matica u inostranstvu i emitovanju hartija od vrednosti Ministarstva finansija. Međutim, izraženije jačanje domaće valute sprečeno je deviznim intervencijama NBS na deviznom tržištu (2,1 milijardi evra) koje su bile na sličnom nivou kao u 2017. godini (2,0 milijardi evra) i uglavnom su bile na kupovnoj strani (1,8 milijardi evra).

Ukupan promet na međubankarskom tržištu smanjen je sa 13,33 milijardi evra u 2017. na 11,09 milijardi evra u 2018. godini. NBS je u toku 2018. godine intervenisala sa 2,09 milijardi evra (od čega se 1.835 miliona evra odnosi na kupovinu, a 255 miliona evra na prodaju deviza), što je za 105 miliona evra više u odnosu na ukupnu intervenciju tokom 2017. godine.

Raiffeisen banka je bila među vodećim bankama u trgovcu devizama i efektivnim stranim novcem na međubankarskom deviznom tržištu. Sektor sredstava Raiffeisen banke ostvario je tržišno učešće od 17,35% u trgovcu sa korporativnim klijentima, čime je tradicionalno potvrdio lidersku poziciju na tržištu.

Na podsticanju investiranja u dinarske dužničke hartije u toku prošle godine napore je uložilo i Ministarstvo finansija aktivno se zadužujući u domaćoj valuti, sa kamatom koju je diktirala tražnja na aukcijama i na sekundarnom tržištu, gde je Raiffeisen banka ostvarila značajno učešće u kupoprodaji dužničke instrumente Ministarstva finansija sa domaćim i stranim investorima.

U 2018. godini, Uprava za javni dug emitovala je „referentne emisije“ petogodišnjih i desetogodišnjih obveznica koje su realizovane u primarnoj prodaji na poslednjim aukcijama u godini po izvršnoj stopi od 3,74% za petogodišnje, odnosno 4,80% za desetogodišnje obveznice. U cilju uspešnog upravljanja likvidnošću, Raiffeisen banka je nastavila diversifikaciju svog dinarskog investicionog portfolija ulaganjem u dužničke hartije Ministarstva finansija.

Financial Institutions Correspondence

In the course of 2018, Raiffeisen banka continued in maintaining and further developing the cooperation with international and local financial institutions, with the aim of nurturing long-term partnerships, which it considers to be of great importance for the development and success of mutual business activities. With the support of Raiffeisen Bank International AG, as the reflection of a long and proven business tradition, the bank succeeded in being an important and trustworthy partner, as well as to contribute to the needs and holistic approach to clients' requirements.

The bank provided funds from its own sources in order to meet the financing needs of its clients, but it also enabled clients to make use of funds from APEX lines, approved by the European Investment Bank through the National Bank of Serbia.

As a result of cooperation with the European Investment fund (EIF), the bank supported small and medium-sized enterprises, enabling them easier access to financing through guarantee schemes of WB EDIF – "EU for Serbia – financing of SMEs" and InnovFin, financed by the EU.

Brokerage Operations

The decline of yields on state bonds continued in 2018 as well. Due to the reduced financing needs in the capital market, the state organized a smaller number of primary auctions compared to the previous year. Expecting a further decrease in returns, the focus of investors shifted to longer maturities. This resulted in a continuation of the "flattening" effect onto the yield curve for state bonds.

The Belgrade Stock Exchange saw a slight decline in turnover compared to previous year. The indicator of the most liquid shares, Belex 15, marked a growth of 0.25 percent, while the indicator Belex Line declined by 4.4 percent. In such a difficult business environment, Raiffeisen banka continued supporting its clients and maintaining one of the leading positions in the market.

Custody Services

As part of the RBI Group, Raiffeisen banka is committed to improving the quality of custody services. Wishing to offer comprehensive information to its clients, the Raiffeisen Group publishes the monthly magazine "GCC Press", which offers a detailed overview of Central and Eastern European markets.

In ten markets, Raiffeisen Bank International AG successfully established a direct relationship with local depositors in charge of financial instrument settlement. Apart from the direct access to markets, Raiffeisen Bank International AG also signed a Memorandum of Understanding with founders of the SEE Link trading platform. An innovative solution for the settlement of cross-border transactions on seven stock exchanges in South-Eastern Europe was offered to clients by the RBI GSS Operating Centre and will make it easier to access markets in the region.

Research

The "Raiffeisen Research" analyst network of Raiffeisen Group continued its work on improving the general understanding of economic trends in a period of significant volatilities in the global financial markets caused by geopolitical events and announcements of a change in course of the monetary policies of the central banks of the USA and the European Union (reports: CEE Strategy, Financial Markets & Global Strategy, CEE Banking Report), as well as offering a more comprehensive view of local economic trends in its publications "Short Note", quarterly report "Serbia Economic Outlook" and the "Monthly Economic Report".

By regular monitoring and a thorough analysis of key indicators, the key events on the macroeconomic scene were promptly reported on ("Research Alert") and then, in accordance with new tendencies, models developed for the forecast of future economic trends were suitably adjusted.

Odnosi sa finansijskim institucijama

Tokom 2018. godine, Raiffeisen banka je nastavila da održava i dodatno razvija saradnju sa međunarodnim i domaćim finansijskim institucijama, u cilju negovanja dugoročnog partnerstva koji smatra od suštinskog značaja za razvoj i uspešnost zajedničkog poslovanja. Uz podršku Raiffeisen Bank International AG, kao odraza duge i dokazane tradicije u radu, banka je uspela da bude značajan i pouzdan partner, a ujedno doprinese potrebama i holističkom pristupu zahtevima klijenata.

Banka je za potrebe finansiranja obezbedila sredstva iz sopstvenih izvora, ali i omogućila korišćenje sredstava iz APEX linija koje je Evropska investiciona banka odobrila preko Narodne banke Srbije.

Kao rezultat saradnje sa Evropskim Investitionim Fondom (EIF) banka je u 2018. godini kroz garancijske šeme WB EDIF – „EU za Srbiju – finansiranje za MSP” i InnovFin finansiranih od strane EU, podržala mala i srednja preduzeća omogućivši im lakši pristup finansiranju.

Brokersko-dilerski poslovi

Pad prinosa na državne obveznice nastavljen je i u 2018. godini. Usled smanjenih potreba za finansiranjem na tržištu kapitala, država je organizovala manji broj primarnih aukcija u odnosu na prethodne godine. U iščekivanju daljeg pada prinosa, fokus investitora je pomeren na duža dospeća. To je za posledicu imalo nastavljanje „flattening“ efekta na krivu prinosa na državne obveznice.

Na Beogradskoj berzi zabeležen je neznatan pad prometa u odnosu na prethodnu godinu. Indeks najl ikvidnijih akcija Belex15 zabeležio je rast od 0.25% dok je indeks Belex Line zabeležio pad od 4.40%. U takvom izazovnom poslovnom ambijentu, Raiffeisen banka nastavila je da pruža podršku klijentima i zadržala jedno od vodećih mesta na tržištu.

Kastodi usluge

Raiffeisen banka je, kao deo RBI grupe, posvećena unapređenju kvaliteta kastodi usluga. U želji da svojim klijentima pruži što sveobuhvatnije informacije, Raiffeisen grupacija objavljuje mesečni magazin „GSS Press“ koji pruža detaljan pregled tržišta centralne i istočne Evrope.

Raiffeisen Bank International AG je na deset tržišta upešno uspostavila direktnu vezu sa lokalnim depozitarima nadležnim za saldiranje finansijskih instrumenata. Pored direktnog pristupa na tržišta, Raiffeisen Bank International AG je potpisala i Memorandum o razumevanju sa osnivačima SEE Link platforme za trgovanje. Inovativno rešenje za saldiranje prekograničnih transakcija na sedam berzi jugoistočne Evrope ponudjeno je klijentima od strane RBI GSS Operativnog centra i olakšaće pristup tržištima u regionu.

Istraživanja

Mreža analitičara Raiffeisen grupacije – „Raiffeisen Research“, nastavila je sa radom na unapređenju opšteg razumevanja ekonomskih tokova u periodu značajnih volatilnosti na globalnim finansijskim tržištima uzrokovanih geopolitičkim dešavanjima i najavama promene kursa monetarne politike centralnih banaka SAD-a i Evropske unije (izveštaji CEE Strategy, Financial Markets & Global Strategy, CEE Banking Report), kao i celishodnjem sagledavanju lokalnih ekonomskih trendova u okviru publikacija „Short Note“, kvartalnog izveštaja „Serbia Economic Outlook“ i mesečnog „Ekonomskog izveštaja“.

Redovnim praćenjem i temeljnom analizom ključnih indikatora, promptno se izveštavalo o ključnim makroekonomskim indikatorima („Research Alert“), a zatim su se, u skladu sa novim tendencijama, adekvatno prilagođavali modeli razvijeni za procenu budućih ekonomskih tokova.

Raiffeisen Leasing

In the past few years, the leasing industry showed significant growth in sales, especially in the segment of passenger vehicles, where the company Raiffeisen Leasing maintained a high position in the market in 2018 as well.

Raiffeisen Leasing demonstrated in 2018 a clear commitment to nurturing and developing long-term relationships with its clients, reflected in the constant improvement of products and services. To offer even more attractive terms to its clients, Raiffeisen Leasing focused special attention to the further development of strengthening partnerships with the network of the most important dealers, as well as to developing strategic partnerships with the best-selling vehicle brands in Serbia through an array of mutual projects.

In accordance to market demands, Raiffeisen Leasing was primarily focused on vehicle financing in 2018. The total value of new sales at the end of the year amounted to € 57.03 million, of which vehicles were financed with € 31.07 million.

Raiffeisen leasing was dedicated to the further improvement of procedures and organization in the segment of risk management in 2018. Through professional risk management, a stable and sustainable portfolio growth was realized, reaching € 92.74 million. Also, special attention was focused on the constant improvement of processes with the aim of increasing efficiency and cost reduction.

Maintaining one of the leading positions in the market, reaching the optimum balance between the growth of business volume and keeping the costs of risk and profitability at an adequate level, strengthening cooperation with existing clients, dealers and insurance companies, as well as constant improvement and designing products in accordance with high standards, remain key goals set by Raiffeisen Leasing for the year 2019.

Raiffeisen Leasing

Lizing industrija poslednjih godina pokazuje značajan rast plasmana posebno u sektoru putničkih vozila, gde je kompanija Raiffeisen Leasing i tokom 2018. godine zadržala visoku poziciju na tržištu.

Raiffeisen Leasing pokazao je i tokom 2018. godine jasnu opredeljenost ka negovanju i razvijanju dugoročnih odnosa sa svojim klijentima koja se ogleda u konstantnom unapređenju proizvoda i usluga. Kako bi svojim klijentima ponudio još atraktivnije uslove, Raiffeisen Leasing je posebnu pažnju posvetio daljem jačanju partnerskih odnosa sa mrežom najznačajnijih dilerova, kao i razvijanju strateške saradnje sa najprodavanijim automobilskim brendovima u Srbiji kroz niz zajedničkih akcija.

U skladu sa zahtevima tržišta, Raiffeisen Leasing je i tokom 2018. godine pre svega bio usmeren na finansiranje vozila. Ukupna vrednost novih plasmana na kraju godine iznosila je 57,03 miliona evra, od čega su vozila finansirana sa 31,07 miliona evra.

Raiffeisen Leasing je tokom 2018. godine bio posvećen i daljem unapređenju procedura i organizacije u segmentu upravljanja rizicima. Kroz profesionalno upravljanje rizicima obezbeđen je stabilan i održiv rast portfolija, koji je dostigao nivo od 92,74 miliona evra. Takođe, posebna pažnja usmerena je na konstantno unapređenje procesa sa ciljem povećanja efikasnosti i smanjenja troškova.

Očuvanje jedne od vodećih pozicija na tržištu, postizanje optimalnog balansa između rasta obima poslovanja i održavanja troškova rizika i profitabilnosti na adekvatnom nivou, jačanje saradnje sa postojećim klijentima, dilerima i osiguravajućim kućama, te stalno unapređenje i kreiranje proizvoda u skladu sa visokim standardima, predstavljaju ključne ciljeve koje je Raiffeisen leasing odredio za 2019. godinu.

Raiffeisen FUTURE

Voluntary Pension Fund Management Company

Raiffeisen FUTURE a.d. Beograd, VPFAMC manages two voluntary pension funds: Raiffeisen FUTURE VPF and Raiffeisen EURO FUTURE VPF.

Raiffeisen FUTURE VPF has a variable currency structure of assets and invests mainly into debt securities. The fund has been successfully operating since 2007 with the rate of return since inception at 9.60 percent on an annual basis. The annual rate of return in 2018 was 5.53 percent. The fund's investment unit has the highest value in the industry and as at 31/12/2018, it amounted to RSD 3,002.43. The net assets of the fund as at 31/12/2018 were RSD 4.9 billion, which represented an annual growth of 14 percent.

Raiffeisen EURO FUTURE VPF started operating in 2015. The fund is most suitable for those clients who prefer their long-term savings to be invested in euro-denominated securities. In accordance with the fund's investment policy, 99 percent of the assets are invested in euro-denominated investment instruments, while 1 percent of the assets consists of dinar money deposits in fund's account. The annual rate of return in 2018 was 2.56 percent in EUR. The realized rate of return since inception as at 31/12/2018 was 3.35 percent in EUR on an annual basis.

Considering that the fund's assets are invested exclusively in euro-denominated securities, the relevant return for the fund's members is the return expressed in euro. The net assets of the fund on 31/12/2018 were RSD 157 million.

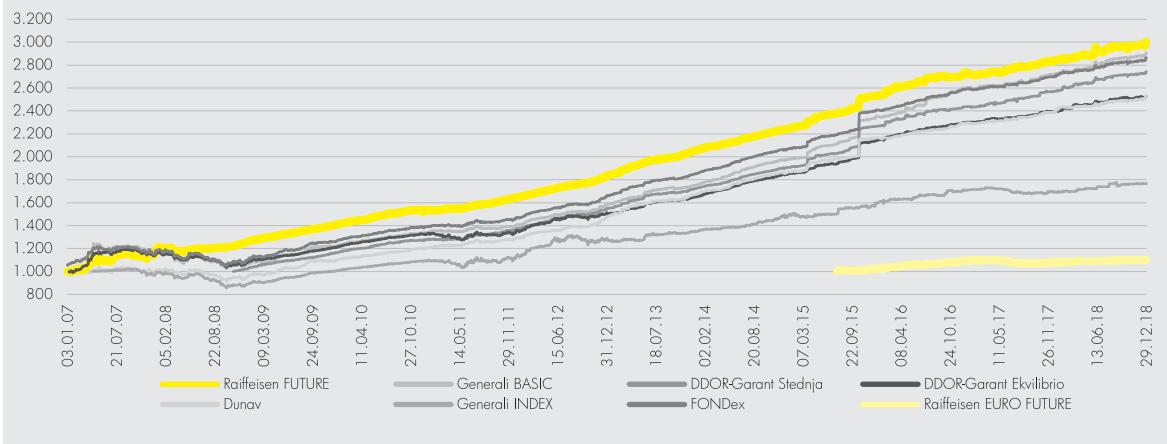
In 2018, the largest increase in the number of members in both funds was achieved compared to the industry. The number of members saving in both funds is 34,000. and it has increased by 4,549, while the total number of members in the industry increased by 7,826.

The market share measured by total assets under management in both funds is 12.5%.

High quality service is provided to the members of both Raiffeisen FUTURE VPF and Raiffeisen EURO FUTURE VPF by the team of professionals with extensive experience in the VPF industry. In addition, there are 311 professionals licensed by the National Bank of Serbia at 86 Raiffeisen Bank branches throughout Serbia at the members' disposal.

Members may choose between the two funds with different investment policies, in terms of the currency structure, or they can pay contributions simultaneously into both funds.

Movement of FONDex* index value and Investment Unit values of VPFs in the period of Jan. 03, 2007 - Dec. 31, 2018



Source of the values of VPFs' investment units and FONDex: the National Bank of Serbia, www.nbs.rs

Raiffeisen FUTURE

Društvo za upravljanje dobrovoljnim penzijskim fondom

Raiffeisen FUTURE a.d. Beograd, DUDPF upravlja sa dva dobrovoljna penzijska fonda-DPF: Raiffeisen FUTURE i Raiffeisen EURO FUTURE.

Raiffeisen FUTURE DPF ima promenljivu valutnu strukturu i pretežno ulaže imovinu u dužničke hartiјe od vrednosti. Fond uspešno posluje od 2007. godine sa prinosom od početka poslovanja od 9,60% na godišnjem nivou. U 2018. godini, ostvaren je prinos od 5,53%. Investiciona jedinica fonda ima najveću vrednost u industriji i na dan 31.12.2018. godine iznosi 3.002,43 dinara. Neto imovina fonda na dan 31.12.2018. iznosi 4,9 milijardi dinara, što predstavlja godišnji rast od 14%.

Raiffeisen EURO FUTURE DPF počeo je sa radom 2015. godine. Fond je namenjen svim klijentima koji žele da njihova dugoročna štednja bude investirana u evro denominovane hartiјe od vrednosti. U skladu sa investicionom politikom, 99% imovine ulaže se u evro denominovane investicione instrumente, dok 1% imovine čine dinarska sredstva na računu fonda. U 2018. godini fond je ostvario prinos od 2,56% u EUR.

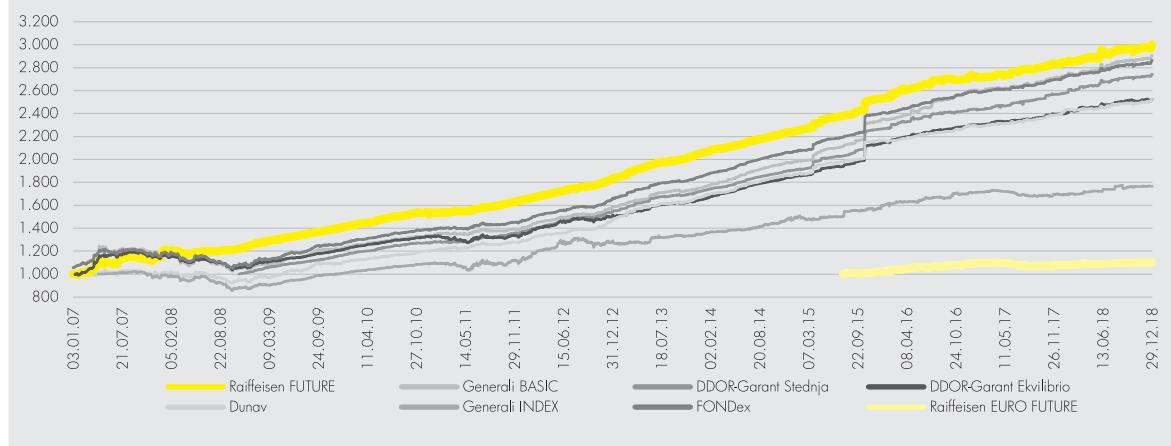
Ostvaren prinos od početka poslovanja Fonda na dan 31.12.2018. godine iznosi 3,35% u EUR na godišnjem nivou. S obzirom na to da se imovina Fonda ulaže isključivo u evro denominovane hartiјe od vrednosti, relevantan prinos za članove Fonda je prinos izražen u evro valuti. Neto imovina fonda na dan 31.12.2018. iznosi 157 miliona dinara.

U 2018. godini ostvaren je najveći rast broja članova u oba fonda u odnosu na industriju. Ukupan broj članova koji štedi u oba fonda iznosi 34.000 i uvećan je za 4.549, dok je ukupan broj članova u industriji uvećan za 7.826. Tržišno učešće neto imovine oba fonda kojima društvo upravlja iznosi 12,5%.

Visok kvalitet usluge članovima DPF Raiffeisen FUTURE i Raiffeisen EURO FUTURE pruža tim profesionalaca sa dugogodišnjim iskustvom u industriji. Takođe, članovima je na raspolaganju 311 profesionalaca licenciranih od strane Narodne banke Srbije u 86 filijala Raiffeisen banke širom Srbije.

Članovi mogu da biraju između dva fonda sa različitom investicionom politikom u pogledu valutne strukture, ili pak mogu ulagati u oba fonda istovremeno.

Kretanje vrednosti FONDEx-a* i investicionih jedinica fondova u periodu od 03.01.2007. - 31.12.2018.



Izvor podataka za vrednosti FONDEx-a i investicionih jedinica: Narodna banka Srbije www.nbs.rs

Raiffeisen INVEST

Raiffeisen INVEST a.d. Belgrade Investment Fund Management Company again professionally managed assets of open investment funds – Raiffeisen CASH, Raiffeisen WORLD and Raiffeisen EURO CASH in 2018 and confirmed its leading position in the market of investment funds in the country. At the end of 2018, the value of assets under management amounted to approx. € 195 million, i.e. a market share of almost 84 percent was realized, in relation to the total value of net assets of all open-ended investment funds in the country.

The open-ended investment fund Raiffeisen CASH – a money market fund, by investing funds into cash deposits and short-term debt securities, realized significant returns for its members in 2018 – the fund's investment unit (in dinars) rose by 2.85 percent (p.a.) conclusive with December 31, 2018, while the fund's net assets grew by 25 percent and reached a dinar countervalue of almost € 86 million.

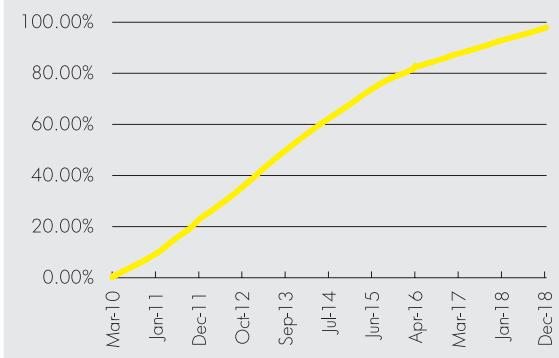
The open-ended investment fund Raiffeisen EURO CASH – a money market fund, by investing funds into money deposits with banks and short-term debt securities denominated in euros, realized stable returns for its members, on the one hand, as well as protecting dinar investments from oscillations of the foreign currency rate, on the other hand. In the course of 2018, the fund's investment unit grew by approximately 0.65 percent (in euros), while the fund's net assets amounted to approx. € 97.2 million at the end of 2018, so this fund maintained its position as the largest open-ended investment fund in Serbia.

The open-ended investment fund Raiffeisen WORLD, established in August 2010 as an equity fund, but changed into a balanced fund in September 2015, with a multi-asset strategy of investing into various classes of assets (equities, bonds, deposits), regions, industries, currencies, with the aim of realizing positive returns in the long term by participating in investments in growing markets, but with accepting moderate risk, which is reduced by applying the capital preservation strategies in periods of market corrections. Having in mind the recommended long-term investing horizon, the fund realized effective annual returns of 3.1 percent (in euros) since its inception up to December 31, 2018. The fund's net asset value amounted to approx. € 12.2 million at the end of 2018.

In the course of 2018, there appeared new participants in the investment funds market in Serbia, i.e. new funds. Also, changes in legal regulations were announced, moving in the direction of harmonization with EU regulations, which will affect the further development of this market and attract new participants. The value of net assets of open-end investment funds amounted to approx. € 232 million at the end of 2018, i.e. an annual market growth of 9.4 percent was realized and the main generator of fund asset industry growth was precisely the growth of assets managed by Raiffeisen INVEST.

Raiffeisen INVEST plans to continue its investing activities in 2019 as well, in order to make it possible for the clients of Raiffeisen banka, through investing into investment funds, to realize returns corresponding to their investment goals, depending on their risk appetite and the investment horizon.

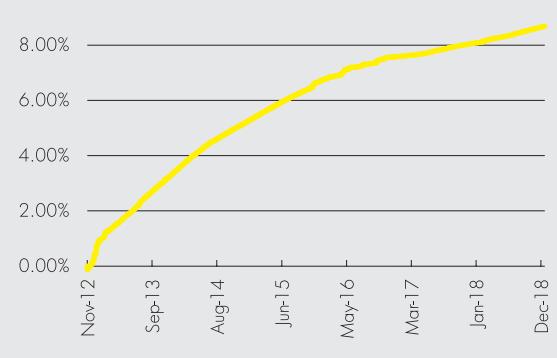
Movement of Returns - Raiffeisen CASH fund



Movement of Returns - Raiffeisen WORLD fund



Movement of Returns - Raiffeisen EURO CASH fund



Raiffeisen INVEST

Raiffeisen INVEST a.d. Beograd Društvo za upravljanje investicionim fondovima je u 2018. godini profesionalnim upravljanjem imovinom otvorenih investicionih fondova – Raiffeisen CASH, Raiffeisen WORLD i Raiffeisen EURO CASH zadržalo lidersku poziciju na tržištu investicionih fondova u zemlji. Krajem 2018. godine vrednost imovine pod upravljanjem iznosila je oko 195 miliona evra, odnosno ostvareno je tržišno učešće od 84% u odnosu na ukupnu vrednost neto imovine svih otvorenih investicionih fondova u zemlji.

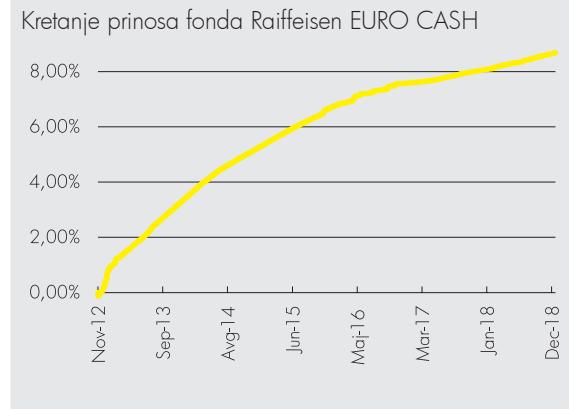
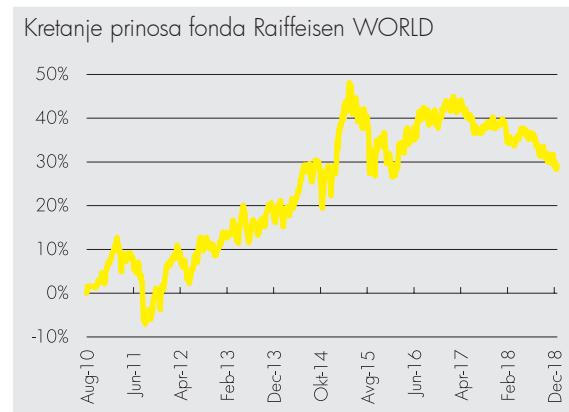
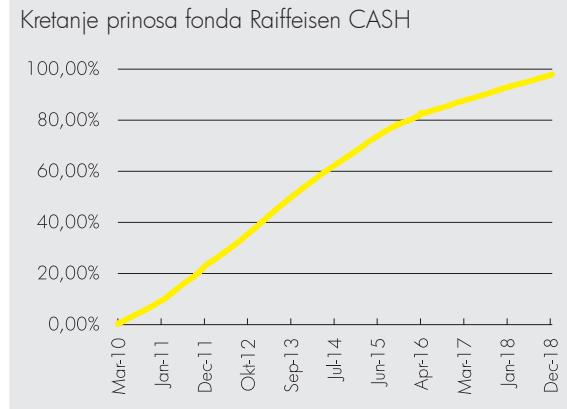
Otvoreni investicioni fond Raiffeisen CASH - novčani fond, ulaganjem u dinarske novčane depozite i kratkoročne dužničke hartije od vrednosti, je u 2018. godini ostvario značajan prinos za svoje članove – investiciona jedinica fonda je, zaključno sa 31.12.2018. godine, porasla 2,85% (u dinarima), a neto imovina fonda je porasla 25% i dostigla dinarsku protivvrednost od skoro 86 miliona evra.

Otvoreni investicioni fond Raiffeisen EURO CASH - novčani fond, ulaganjem u novčane depozite kod banaka i kratkoročne dužničke hartije od vrednosti denominovane u evrima, je za svoje članove obezbedio ostvarenje stabilnog pristupa s jedne strane i zaštitu dinarskih sredstava od oscilacija deviznog kursa, s druge strane. Investiciona jedinica fonda je u 2018. godini porasla približno 0,65% (u evrima), dok je neto imovina fonda na kraju 2018. godine iznosila približno 97,2 miliona evra, a ovaj fond zadržao poziciju najvećeg otvorenog investicionog fonda u zemlji.

Otvoreni investicioni fond Raiffeisen WORLD organizovan je avgusta 2010. godine kao fond akcija, ali je u septembru 2015. godine promenjena vrsta fonda u balansirani fond, sa strategijom ulaganja u različite klase imovine (akcije, obveznice, depozite), regione, sektore, valute a u cilju ostvarivanja pozitivnog pristupa u dugom roku učešćem u investiranju na rastućim tržištima, ali i uz prihvatanje umerenog rizika, koji je smanjen primenom strategije očuvanja kapitala u periodima korekcija tržišta. Imajući u vidu preporučeni dugoročni period investiranja, fond je ostvario efektivni godišnji prinos 3,1% (u evrima) od početka organizovanja do 31.12.2018. godine. Vrednost neto imovine fonda je na kraju 2018. godine iznosila približno 12,2 miliona evra.

Tokom 2018. godine, na tržištu investicionih fondova u zemlji su se pojavili novi učesnici, odnosno novi fondovi, a najavljeni su i izmene zakonske regulative u pravcu usklađivanja sa EU regulativom, što će uticati na dalji razvoj ovog tržišta i privlačenje učesnika. Visina neto imovine otvorenih investicionih fondova je na kraju 2018. godine iznosila približno 232 miliona evra, odnosno ostvaren je godišnji rast od 9,4%, a glavni generator rasta industrije bio je upravo porast imovine fondova kojima upravlja Raiffeisen INVEST.

Raiffeisen INVEST planira da i u 2019. godini nastavi sa investicionim aktivnostima kako bi, odgovornim i profesionalnim upravljanjem, klijentima Raiffeisen banke omogućio da kroz ulaganje u investicione fondove, ostvare odgovarajući prinos u skladu sa investicionim ciljevima, zavisno od stepena rizika koji su spremni da prihvate i vremenskog horizonta investiranja.



Branch Network

Head Office

Raiffeisen banka a.d.

Đorđa Stanojevića 16
11070 Novi Beograd
Phone: (+381 11) 3202 100
Fax: (+381 11) 2207 080
SWIFT Code: RZBSRSBG

Regional Centres

Beograd I

Terazije 27
Phone: (+381 11) 3204 976

Beograd II

Đorđa Stanojevića 16
11070 Novi Beograd
Phone: (+381 11) 2208 511

Jug

Srete Mladenovića 2
34000 Kragujevac
Phone: (+381 34) 308 300

Sever

Bulevar oslobođenja 56a
21000 Novi Sad
Phone: (+381 21) 4880 000

Belgrade I Region

Beograd

- Bulevar kralja Aleksandra 171
- Bulevar kralja Aleksandra 328
- Bulevar oslobođenja 7-9
- Cara Dušana 78
- Kralja Petra 14
- 27. marta 31
- Kursulina 41
- Maksima Gorkog 75
- Marijane Gregoran 58
- Mirijevski venac 27
- Resavska 1
- Vojvode Milenka 38
- Ruzveltova 10
- Sarajevska 3
- Terazije 27
- Bratstva i jedinstva 73, Borča
- Grge Andrijanovića 2, Krnjača
- Srpsko-grčkog prijateljstva 1-3,
Grocka
- Ustanička 64

Požarevac

Moše Pijade 10

Pančevo

Petra Drapšina 4-6

Smederevo

Karađorđeva 18

Smederevska Palanka

Prvog srpskog ustanka 3

Vršac

Trg Svetog Teodora Vršačkog

Belgrade II Region

Beograd

- Bulevar Mihajla Pupina 4
- Bulevar Mihajla Pupina 181
- Bulevar umetnosti 4
- Bulevar vojvode Mišića 37
- Vojvode Stepe 199
- Bulevar Zorana Đindjića 64a
- Đorđa Stanojevića 16
- Jurija Gagarina 151
- Milutina Milankovića 134a
- Požeška 41
- Požeška 81a
- Trgovačka 5
- Glavna 13m
- Prvomajska 101
- Vidikovački venac 80b
- Mladenovac, Kralja Petra I 241a,
- Obrenovac, Kneza Mihajla 6
- Lazarevac, Dimitrija Tucovića 1
- Crnotravska 7-9
- Milutina Milankovića 1ž
- Partizanske avijacije 12
- Patrijarha Dimitrija 14

Stara Pazova

Kralja Petra I 1

Loznica

Kneza Miloša 2

Valjevo

Karađorđeva 114

Šabac

Masarykova 7

Mreža filijala

Region „North“

Novi Sad

- Bulevar oslobođenja 56a
- Bulevar oslobođenja 76a
- Bulevar cara Lazara bb
- Trg slobode 3, Apolo centar
- Veselina Masleša 30

Bačka Palanka

Kralja Petra I 11

Indija

Novosadska 9

Temerin

Novosadska 348

Vrbas

Ive Lole Ribara 16

Zrenjanin

Kralja Aleksandra Karađorđevića 41

Kikinda

Trg srpskih dobrovoljaca 28

Senta

Glavni trg 8

Sombor

Avrama Mrazovića 1

Subotica

Trg slobode 5

Ruma

Orlovićeva 4

Sremska Mitrovica

Kralja Petra I 24

Region „South“

Kragujevac

- Srete Mladenovića 2
- Nikole Pašića 7

Aranđelovac

Knjaza Miloša 259

Jagodina

Kneginje Milice 12

Kruševac

Majke Jugovića 8

Paraćin

Vožda Karađorđa 31

Čačak

- Braće Spasića bb
- Gradsko šetalište bb

Kraljevo

Hajduk Veljkova 16

Novi Pazar

AVNOJ-a 7/3

Užice

Dimitrija Tucovića 91

Prijepolje

Valterova 20

Bor

Nikole Pašića 5

Leskovac

Bulevar oslobođenja 154

Niš

- Balkanska 13
- Vizantijski bulevar bb
- Obrenovićeva 35

Pirot

Pirotskih oslobodilaca bb

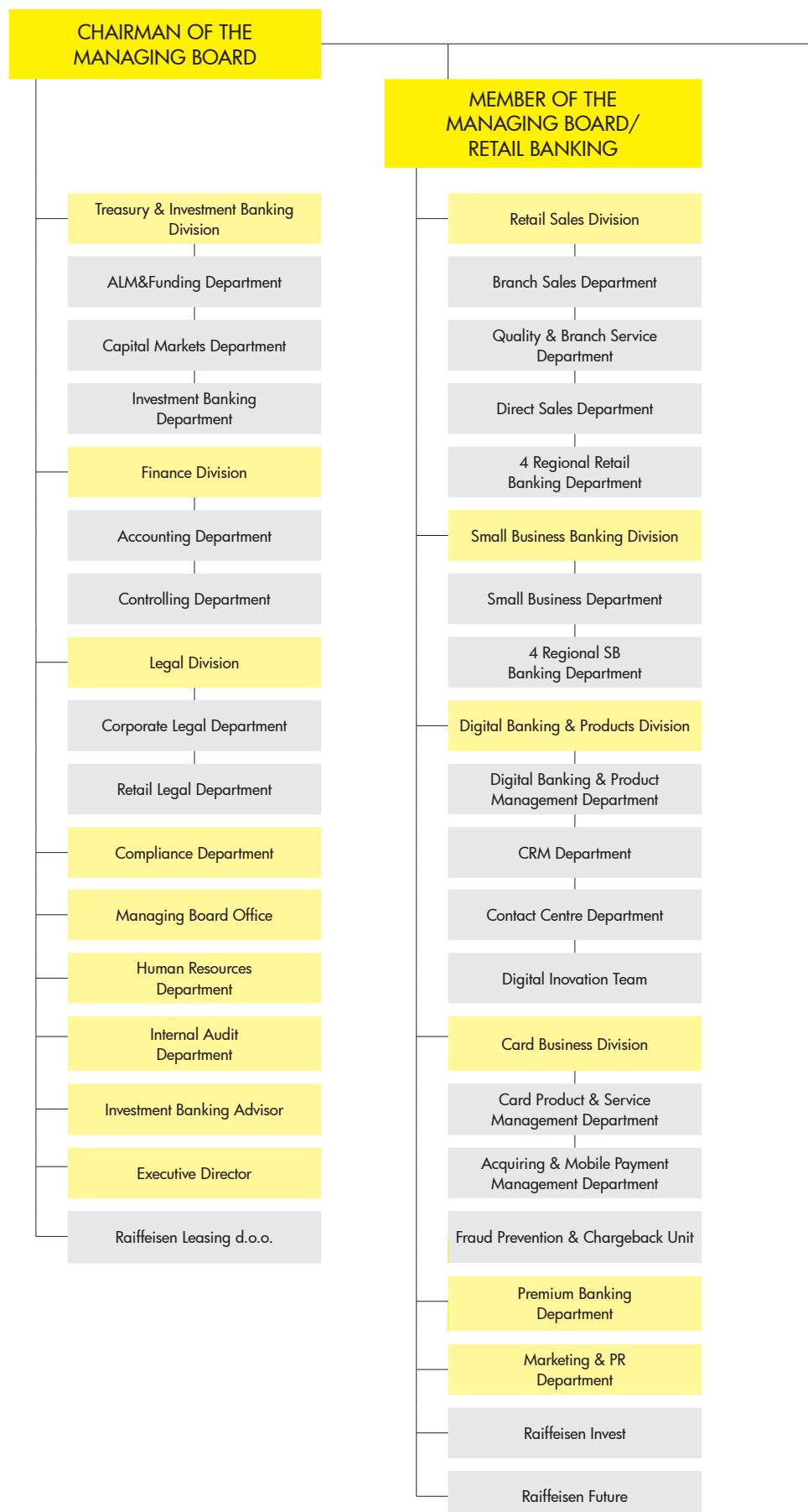
Vranje

Štefana Prvovenčanog 145

Zaječar

Krfska 16

Organizational Chart



Organizaciona struktura banke



Addresses

Raiffeisen Bank International AG

Austria

Am Stadtpark 9
1030 Vienna
Phone: +43-1-71707 0
Fax: +43-1-71707 1715
SWIFT/BIC: RZBATWW
www.rbinternational.com
ir@rbinternational.com
communications@rbinternational.com

CEE banking network

Albania

Raiffeisen Bank Sh.a.
"European Trade Center"
Bulevardi "Bajram Curri"
Tirana
Phone: +355-4-238 1000
Fax: +355-4-227 5599
SWIFT/BIC: SGSBALTX
www.raiffeisen.al

Belarus

Priorbank JSC
31-A, V. Khoruzhey Str.
220002 Minsk
Phone: +375-17-289 9090
Fax: +375-17-289 9191
SWIFT/BIC: PJCBY2X
www.priorbank.by

Bosnia and Herzegovina

Raiffeisen BANK d.d.
Bosna i Hercegovina
Zmaja od Bosne bb
71 000 Sarajevo
Phone: +387-33-287 100
Fax: +387-33-213 851
SWIFT/BIC: RZBABA2S
www.raiffeisenbank.ba

Bulgaria

Raiffeisenbank (Bulgaria) EAD
Nikola I. Vaptsarov Blvd.
Business Center EXPO 200 PHAZE III, floor 5
1407 Sofia
Phone: +359-2-91 985 101
Fax: +359-2-94 345 28
SWIFT/BIC: RZBBBGSF
www.rbb.bg

Croatia

Raiffeisenbank Austria d.d.
Magazinska cesta 59
10000 Zagreb
Phone: +385-1-456 6466
Fax: +385-1-481 1624
SWIFT/BIC: RZBHHR2X
www.rba.hr

Czech Republic

Raiffeisenbank a.s.
Hvezdova 1716/2b
14078 Prague 4
Phone: + 420-412 446400
Fax: +420-234-402-111
SWIFT/BIC: RZBCCZPP
www.rb.cz

Hungary

Raiffeisen Bank Zrt.
Akadémia utca 6
1054 Budapest
Phone: +36-1-484 4400
Fax: +36-1-484 4444
SWIFT/BIC: UBRTHUHB
www.raiffeisen.hu

Kosovo

Raiffeisen Bank Kosovo J.S.C.
Ruga UCK Str. No. 191
10000 Pristina
Phone: +381-38-222 222
Fax: +381-38-203 01130
SWIFT/BIC: RBKOXXP
www.raiffeisen-kosovo.com

Poland

Raiffeisen Bank Polska S.A.
Ul. Grzybowska 78
00-844 Warsaw
Phone: +48-22-347 7000
Fax: +48-22-347 7001
SWIFT/BIC: RCBWPLPW
www.raiffeisen.pl

Romania

Raiffeisen Bank S.A.
246 C Calea Floreasca
014476 Bucharest
Phone: +40-21-30 610 00
Fax: +40-21-23 007 00
SWIFT/BIC: RZBRROBU
www.raiffeisen.ro

Russia

AO Raiffeisenbank
17/1 st Troitskaya
129090 Moscow
Phone: +7-495-721 9900
Fax: +7-495-721 9901
SWIFT/BIC: RZBMURMM
www.raiffeisen.ru

Adrese

Serbia

Raiffeisen banka a.d. Beograd
Djordja Stanojevića 16
11070 Novi Beograd
Phone: +381-11-320 2100
Fax: +381-11-220 7080
SWIFT/BIC: RZBSRSBG
www.raiffeisenbank.rs

Slovakia

Tatra banka, a.s.
Hodžovo námestie 3
81106 Bratislava 1
Phone: +421-2-5919 1000
Fax: +421-2-5919 1110
SWIFT/BIC: TATRSKBX
www.tatrabanka.sk

Ukraine

Raiffeisen Bank Aval JSC
9, Vul Leskova
01011 Kiev
Phone: +38-044-49 088 88
Fax: +38-044-285 3231
SWIFT/BIC: AVALUAUK
www.aval.ua

Leasing companies

Austria

Raiffeisen-Leasing G.m.b.H.
Mooslackengasse 12
1030 Vienna
Phone: +43-1-71 601-0
Fax: +43-1-71 601 8029
www.raiffeisen-leasing.at

Albania

Raiffeisen Leasing Sh.a.
"European Trade Center"
Bulevardi "Bajram Curri"
Tirana
Phone: +355-4-227 4920
Fax: +355-4-223 2524
www.raiffeisen-leasing.al

Belarus

JLLC "Raiffeisen-leasing"
31-A, V. Khoruzhey Str.
220002 Minsk
Phone: +375-17-289 9394
Fax: +375-17-289 9974
www.rl.by

Bosnia and Herzegovina

Raiffeisen Leasing d.o.o. Sarajevo
Zmaja od Bosne bb.
71000 Sarajevo
Phone: +387-33-25 4354
Fax: +387-33-212 273
www.rlbh.ba

Bulgaria

Raiffeisen Leasing Bulgaria OOD
32A Cherni Vrah Blvd. Fl.6
1407 Sofia
Phone: +359-2-491 9191
Fax: +359-2-974 2057
www.rlbg.bg

Croatia

Raiffeisen Leasing d.o.o.
Radnička cesta 43
10000 Zagreb
Phone: +385-1-659 5000
Fax: +385-1-659 5050
www.rlhr.hr

Czech Republic

Raiffeisen-Leasing s.r.o.
Hvezdova 1716/2b
14078 Prague 4
Phone: +420-221-511 611
Fax: +420-221-511 666
www.rl.cz

Hungary

Raiffeisen Corporate Lízing Zrt.
Akadémia utca 6
1054 Budapest
Phone: +36-1-477 8709
Fax: +36-1-477 8702
www.raiffeisenlizing.hu

Kosovo

Raiffeisen Leasing Kosovo LLC
Rr. UCK p.n.
10000 Pristina
Phone: +381-38-222 222 340
www.raiffeisenleasing-kosovo.com

Moldova

I.C.S. Raiffeisen Leasing S.R.L.
Alexandru cel Bun 51
2012 Chisinau
Phone: +373-22-279 313
Fax: +373-22-228 381
www.raiffeisen-leasing.md

Romania

Raiffeisen Leasing IFN S.A.
246 D Calea Floreasca
014476 Bucharest
Phone: +40-21-36 532 96
Fax: +40-37-28 799 88
www.raiffeisen-leasing.ro

Russia

ООО Raiffeisen-Leasing
Smolenskaya-Sennaya 28
119121 Moscow
Phone: +7-495-721 9980
Fax: +7-495-721 9901
www.raiffeisen-leasing.ru

Serbia

Raiffeisen Leasing d.o.o.
Đjordja Stanojevića 16
11070 Novi Beograd
Phone: +381-11-201 7400
Fax: +381-11-228-9007
www.raiffeisen-leasing.rs

Slovakia

Tatra Leasing s.r.o.
Černyševského 50
85101 Bratislava
Phone: +421-2-59 19-3053
www.tatralleasing.sk

Slovenia

Raiffeisen Leasing d.o.o.
Letališka cesta 29a
SI-1000 Ljubljana
Phone: +386-1-241 6250
Fax: +386-1-241 6268
www.rl-sl.si

Ukraine

LLC Raiffeisen Leasing Aval
9, Stepan Bandera av.
Build. 6 Office 6-201
04073 Kiev
Phone: +38-044-590 2490
Fax: + 38-044-200 0408
www.rla.com.ua

Branches and representative offices - Europe**France**

RBI Representative Office Paris
9-11 Avenue Franklin D. Roosevelt
75008 Paris
Phone: +33-1-456 12700
Fax: +33-1-456 11606

Germany

RBI Branch Frankfurt
Wiesenhüttenplatz 26
60 329 Frankfurt
Phone: +49-69-29 921 924
Fax: +49-69-29 921 9-22

Poland

RBI Poland Branch
Ul. Grzybowska 78
00-844 Warsaw
Phone: +48-22-578 56 00
Fax: +48-22-578 56 01
SWIFT/BIC: RCBWPLPW
www.raiffeisen.pl

Sweden

RBI Representative Office Nordic Countries
Drottninggatan 89, 14th floor
113 60 Stockholm
Phone: +46-8-440 5086

UK

RBI London Branch
9th Floor, Leaf C Leaf C, Tower 42
25 Old Broad Street
London EC2N 1HQ
Phone: +44-20-79 33-8000
Fax: +44-20-79 33-8099

Branches and representative offices – Asia and America

China

RBI Beijing Branch

Beijing International Club Suite 200
2nd floor
Jianguomenwai Dajie 21
100020 Beijing
Phone: +86-10-653 23388
Fax: +86-10-653 25926

RBI Representative Office Zhuhai

Room 2404, Yue Cai Building
No. 188, Jingshan Road, Jida,
Zhuhai, Guangdong Province
519015, P.R. China
Phone: +86-756-323 3500
Fax: +86-756-323 3321

India

RBI Representative Office Mumbai

501, Kamla Hub, Gulmohar Road, Juhu
Mumbai – 400049
Phone: +91-22-26 230 657
Fax: +91-22-26 244 529

Korea

RBI Representative Office Korea

1809 Le Meilleur Jongno Tower
24 Jongno 1-ga
Seoul 110-888
Republic of Korea
Phone: +82-2-72 5-7951
Fax: +82-2-72 5-7988

Singapore

RBI Singapore Branch

50 Raffles Place
#38-01 North Tower
Singapore 048623
Phone: +65-630 56000
Fax: +65-630 56001

USA

RB International Finance (USA) LLC

1177 Avenue of the Americas, 15th Floor
10036 New York
Phone: +01-929-432-1846

Vietnam

RBI Representative Office Ho Chi Minh City

35 Nguyen Hue Str., Harbour View Tower
Room 601A, 6th Floor, Dist 1
Ho Chi Minh City
Phone: +84-8-38 214 718,
+84-8-38 214 719
Fax: +84-8-38 215 256

Financial Statements

RAIFFEISEN BANKA A.D. BEOGRAD

Separate financial statements
for the year ended 31 December 2018
prepared in accordance with
International Financial Reporting Standards

24 March 2019

Finansijski izveštaj

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Ernst & Young d.o.o. Beograd
 Antifašističke borbe 13A
 11070 Beograd, Srbija

Tel: +381 11 20 95 800
 Fax: +381 11 20 95 891
ey.com/rs



INDEPENDENT AUDITORS' REPORT

TO THE OWNERS OF RAIFFEISEN BANKA A.D. BEOGRAD

We have audited the accompanying separate financial statements of Raiffeisen banka a.d. Beograd (hereinafter: the Bank), which comprise the balance sheet as at 31 December 2018, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these separate financial statements in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing as applicable in the Republic of Serbia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements give a true and fair view of the financial position of the Bank as at 31 December 2018, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards.

Other Matters

The financial statements of the Bank for the year ended on 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 19 April 2018.

Belgrade, 23 April 2019

Dušan Tomić
 Authorised Auditor
 Ernst & Young d.o.o. Beograd



SEPARATE STATEMENT OF PROFIT OR LOSS

Year Ended December 31

<i>In thousands of RSD</i>	<i>Note</i>	2018	2017
Interest income	6, 3(c)	9,971,784	9,822,938
Interest expense	6, 3(c)	(177,772)	(220,969)
Net interest income		9,794,012	9,601,969
Fee and commission income	7, 3(d)	5,679,974	5,240,045
Fee and commission expense	7, 3(d)	(1,574,555)	(1,428,062)
Net fee and commission income		4,105,419	3,811,983
Net gain on change in fair value of financial instruments	5, 3 (k)	302,339	5,224
Net gain / (loss) on derecognition of financial assets measured at fair value		20,694	(19,976)
Net gains / (losses) on hedging	3(f)	63,727	(47,009)
Net gains on foreign exchange differences and effects of foreign currency clause	8, 3(b)	1,694,311	1,655,178
Net impairment gain/(loss) on financial assets	9, 3(k)	(346,023)	994,070
Net gain / (loss) on derecognition of financial instruments measured at amortized cost	10	760,742	301,132
Other operating income	10	100,918	105,823
Operating income, net		16,496,139	16,408,394
Personnel expenses	11	(3,104,763)	(2,974,387)
Depreciation and amortisation	20, 21, 3(r), 3(s)	(635,538)	(627,052)
Other income	12.1	213,569	127,984
Other expenses	12.2	(5,324,104)	(5,369,286)
Profit before income tax		7,645,303	7,565,653
Income tax expense	13, 3(j)	(1,017,094)	(938,868)
Profit for the year		6,628,209	6,626,785

The accompanying notes form an integral part
of these separate financial statements

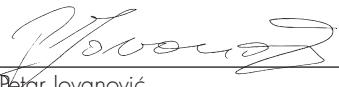
Belgrade, 29 March 2019

For and on behalf of the Management Raiffeisen banka a.d., Beograd


Zoran Petrović

Chairman of the Managing Board




Petar Jovanović
Deputy Chairman of the Managing Board

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

Year Ended December 31

<i>In thousands of RSD</i>	Note	2018	2017
Other comprehensive income			
Profit for the year	28	6,628,209	6,626,785
Items that will not be reclassified			
subsequently to profit or loss			
Equity instruments at FVOCI – net change in fair value		116,054	-
		116,054	-
Items that are or may be reclassified			
subsequently to profit or loss			
Debt investment at FVOCI – net change in fair value		98,902	-
Financial assets AFS – net change in fair value		-	64,261
Cash flow hedging - valuation		(25,387)	41,497
Changes in deferred tax assets arising from other comprehensive income	13.3	(12,575)	(15,864)
		60,940	89,894
Other comprehensive income, net of tax		176,994	89,894
Total other comprehensive income for the period		6,805,203	6,716,679

The accompanying notes form an integral part
of these separate financial statements

SEPARATE STATEMENT OF FINANCIAL POSITION

As of December 31

<i>In thousands of RSD</i>	<i>Note</i>	2018	2017
Assets			
Cash and balances with central banks	14, 3(l)	71,884,119	61,888,292
Receivables arising from derivatives	15	16,141	736
Securities	16, 3(k), 3(p)	50,328,204	43,342,395
Loans and receivables to banks and other financial institutions	17, 3(k), 3(o)	11,558,104	14,378,437
Loans and receivables to customers	18, 3(k), 3(o)	150,387,617	137,693,086
Receivables from derivatives held for hedging against risks	3(k), 3(n)	77,362	76,530
Investments in subsidiaries	19	1,028,323	498,565
Intangible assets	21, 3(r)	647,494	605,130
Property, plant and equipment	20, 3(s)	4,790,135	4,694,313
Deferred tax assets	22, 3(j)	306,786	365,900
Other assets	23	900,049	1,077,959
Total assets		291,924,334	264,621,343
Liabilities and equity			
Liabilities arising from derivatives		6,959	619
Deposits and other liabilities from banks, other financial institutions and central bank	24, 3(u)	3,038,158	3,152,382
Deposits and other liabilities from other customers	25, 3(u)	227,889,691	200,906,463
Liabilities arising from derivatives held for hedging against risks	3(k), 3(n)	71,709	121,632
Provisions	26, 3(v)	1,522,399	1,329,107
Current tax liabilities	3(j)	66,208	288,433
Other liabilities	27	1,420,282	1,379,204
Total liabilities		234,015,406	207,177,840
Share capital	28, 3(x)	27,466,158	27,466,158
Profit for the year	28, 3(x)	6,727,538	6,626,785
Reserves	28, 3(x)	23,715,232	23,350,560
Total equity	28, 3(x)	57,908,928	57,443,503
Total		291,924,334	264,621,343

The accompanying notes form an integral part
of these separate financial statements

SEPARATE STATEMENT OF CHANGES IN EQUITY

Year Ended December 31

<i>In thousands of RSD</i>	Share capital	Profit reserves	Revaluation reserves	Profit	Total
Balance as at 1 January 2017	27,466,158	23,353,465	(92,799)	5,411,291	56,138,115
Profit for the year	-	-	-	6,626,785	6,626,785
Total comprehensive income					
Cash flow hedging - valuation	-	-	41,497	-	41,497
Available for sale financial assets - valuation	-	-	64,261	-	64,261
Related tax	-	-	(15,864)	-	(15,864)
Transactions with owners of the Bank					
Dividends paid	-	-	-	(5,411,291)	(5,411,291)
Balance as at 31 December 2017	27,466,158	23,353,465	(2,905)	6,626,785	57,443,503
Balance as at 1 January 2018	27,466,158	23,353,465	(2,905)	6,626,785	57,443,503
Adjustment on initial application of IFRS 9, net of tax	-	-	187,678	99,329	287,007
Restated balance at 1 January 2018	27,466,158	23,353,465	184,773	6,726,114	57,730,510
Profit for the year	-	-	-	6,628,209	6,628,209
Total comprehensive income					
Equity instruments at FVOCI – net change in fair value	-	-	116,054	-	116,054
Debt investment at FVOCI – net change in fair value	-	-	98,902	-	98,902
Cash flow hedging - valuation	-	-	(25,387)	-	(25,387)
Related tax	-	-	(12,575)	-	(12,575)
Transactions with owners of the Bank					
Dividends paid	-	-	-	(6,626,785)	(6,626,785)
Balance as at 31 December 2018	27,466,158	23,353,465	361,767	6,727,538	57,908,928

The accompanying notes form an integral part
of these separate financial statements

SEPARATE STATEMENT OF CASH FLOWS

Year Ended December 31

<i>In thousands of RSD</i>	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash inflow from operating activities	17,093,906	16,114,828
Inflow from interest	9,994,981	9,832,657
Inflow from fees and commissions	5,678,784	5,222,853
Inflow from other operating activities	1,420,141	1,059,318
Cash outflow in operating activities	(10,507,226)	(10,305,241)
Outflow from interest	(176,253)	(237,585)
Outflow from fees and commission	(1,575,282)	(1,315,937)
Outflow from gross salaries, benefits and other personal expenses	(3,127,034)	(3,053,638)
Outflow from taxes, contributions and other duties charged to income, excluding corporate income tax	(948,081)	(1,206,430)
Outflow from other operating expenses	(4,680,576)	(4,491,651)
Net cash inflow from operating activities before increase or decrease in financial placements and deposits	6,586,680	5,809,587
Cash inflow from placements, deposits taken and other liabilities	27,577,188	20,392,495
Net inflow from receivables based on derivatives designed to protect against risks and changes in the fair value of items that are subject to risk protection	-	5,985
Net inflow from deposits and other liabilities to banks, other financial institutions, central bank and customers	27,570,848	20,375,585
Net inflow from other financial liabilities	6,340	-
Net inflow from financial derivatives held for hedging against risks and change in fair value of hedged items	-	10,925
Cash outflow from placements, deposits taken and other liabilities	(23,321,004)	(20,082,404)
Net outflow from loans and receivables to banks, other financial institutions, central banks and clients	(12,451,660)	(18,772,716)
Net outflow from financial assets that are initially recognized at fair value through profit or loss, financial assets held for trading and other securities not intended to be invested	(10,818,407)	(1,303,500)
Net outflow from receivables from derivatives held for hedging against risks and change in fair value of hedged items	(1,062)	-
Net outflow from financial liabilities initially recognized at fair value through profit or loss and financial liabilities held for trading	-	(6,188)
	(49,875)	-
Net cash inflow from operating activities before profit tax	10,842,864	6,119,678
Profit tax paid	(1,192,780)	(698,377)
Dividends paid	(6,295,446)	(5,140,726)
Net cash inflow from operating activities	3,354,638	280,575

SEPARATE STATEMENT OF CASH FLOWS continued

Year Ended December 31, 2016

<i>In thousands of RSD</i>	2018	2017
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash inflow from investing activities	10,413,312	15,198,244
Inflow from investments in investment securities	10,398,967	15,187,977
Inflow from sale of intangible assets, property, plant and equipment	14,345	10,267
Cash outflow from investing activities	(6,362,529)	(12,750,289)
Outflow from investments in investment securities	(5,584,040)	(11,917,784)
Outflow for purchase of intangible assets, property, plant and equipment	(778,489)	(832,505)
Net cash inflow from investing activities	4,050,783	2,447,955
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash outflow from financing activities	(1,238,794)	(1,513,597)
Cash outflows from borrowings	(1,238,794)	(1,513,597)
Net cash outflow from financing activities	(1,238,794)	(1,513,597)
TOTAL CASH INFLOW	55,084,406	51,705,567
TOTAL CASH OUTFLOW	(48,917,779)	(50,490,634)
NET INCREASE IN CASH	6,166,627	1,214,933
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR <i>(Note 14.2)</i>	44,882,429	44,704,059
POSITIVE / (NEGATIVE) EXCHANGE RATE DIFFERENCES	157,471	(1,036,563)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD <i>(Note 14.2)</i>	51,206,527	44,882,429

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