

2010 Annual Report

Hypo Alpe-Adria-Bank a.d. Beograd

Overview of key data

	2010	2009	2008	2007	2006	Change 2009-2010
Total assets	144,597,751	139,110,485	114,398,731	133,458,508	112,118,443	5,487,266
Liabilities to customers	60,636,685	64,060,985	52,076,478	41,252,607	23,744,084	-3,424,300
Receivables from customers	103,476,808	90,288,454	72,037,116	65,401,993	55,289,249	13,188,354
Capital	31,616,735	31,374,466	26,408,315	18,460,662	14,639,415	242,269
(out of which original capital)	30,644,889	29,374,418	26,021,853	16,568,888	14,208,186	1,270,471
Net interest income	5,477,757	5,350,141	5,145,008	3,380,455	2,645,310	127,616
Operating income	8,363,268	9,018,773	7,826,020	4,887,691	3,337,562	-655,505
Operating expenditure	4,002,704	3,991,327	3,716,841	3,222,978	2,482,982	11,377
Operating result	4,360,564	5,027,446	4,109,179	1,664,712	854,580	-666,882
Result from regular operation	384,506	1,827,484	2,472,210	1,526,978	798,467	-1,442,978
CIR	47.86%	45.10%	47.49%	65.94%	74.40%	2.76%
ROE	1.09%	6.11%	9.92%	8.37%	7.78%	-5.02%
ROA	0.24%	1.34%	1.80%	1.13%	0.88%	-1.10%
Employees	816	851	871	803	718	-35

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Executive Board members



Vladimir Čupić

Chairman of the Executive Board

Responsibilities:

- Corporate Sector
- Public Finance Sector
- Treasury Sector
- Compliance & Security Sector
- Legal Department
- Human Resources Management Department
- Economic Analysis Department
- Corporate Communication Department



Zoran Vojnović

Deputy Chairman of the Executive Board

Responsibilities:

- Credit Processing Sector
- Rehabilitation Sector
- Credit Risk Management Sector
- Risk Controlling Department



Rade Vojnović

Member of the Executive Board

Responsibilities:

- Financial Controlling Department
- Accounting Department



Mirko Španović

Member of the Executive Board

Responsibilities:

- Retail and Private Banking Sector
- Transaction Banking Sector
- ORGA/IT Sector
- Operational Support Department
- Marketing Department

Note:

The Internal Audit Department and Compliance Department are subordinated to the Board of Directors of the bank.

Organisational tasks and activities related to the labour relations of the Compliance Department are performed by Vladimir Čupić.

Organisational tasks and activities related to the labour relations of the Internal Audit Department are performed by Rade Vojnović.

Organisational tasks and activities related to the labour relations of the Board Assistance Department are performed by the Executive Board.

Letter of the Executive Board

Dear Sir/Madam,

In spite of the fact that, according to official data, the Serbian economy got out of the recession in 2010, the domestic demand and investments had a downward trend. Nevertheless, the number of corporate clients grew in 2010, enabling Hypo Alpe-Adria-Bank a.d. Beograd to retain one of leading positions in the corporate segment.

At 2010 end, over sixteen thousand clients – domestic legal entities had accounts for their core activity transactions opened with the bank, this figure being 2% higher relative to 2009 end. The number of transactions of domestic legal entities in 2010 made an increase of 4% relative to 2009 (over 12 million transactions).

In 2010, Hypo Alpe-Adria-Bank a.d. Beograd was given the STP Award 2009 (Straight Through Processing) by the reputable banks Commerzbank and J. P. Morgan Bank, a prize given for the exceptional quality in performing financial transactions within international payment operations.

Last year, the Rehabilitation Sector, comprised of six departments, took an active role in the collection, restructuring and rehabilitation of bank's non-performing loans, as well as in the sale of pledged property. The Corporate Communication Department was focused on the creation and production of printed and electronic publications for the bank and daily communication with the media representatives, continually providing operative support to other organisational units in achieving their targets. In the corporate social responsibility segment, Hypo Alpe-Adria-Bank a.d.

Beograd, as a signatory of the UN Global Compact initiative, issued a progress report presenting our contribution to the community where we operate, which makes us proud.

In 2010, we especially concentrated on the professional development of employees and the constant improvement of work quality for the purpose of preserving the image of a highly-professional and safe institution recognising market needs and understanding its clients with whom it establishes partner relations. The 2011 plan encompasses internal, in-house trainings and development programs based on defined needs of the Group and the bank.

The recognisable mode of operation of Hypo Alpe-Adria-Bank a.d. Beograd will also be reflected in the stable financial potential and an attractive offer of up-to-date banking products in 2011. We entered 2011 ambitiously, focusing on analysing and

identifying needs of our clients and partners in the best possible manner, in order to be able to offer finest solutions.

We cordially thank all colleagues, associates, clients and members of the Hypo Alpe Adria team for good and successful cooperation in 2010. We will strive to jointly achieve even larger success in the challenging year ahead of us.

Best regards,

Members of the Executive Board of Hypo Alpe-Adria-Bank a.d. Beograd

Vladimir Čupić

Zoran Vojnović

Rade Vojnović

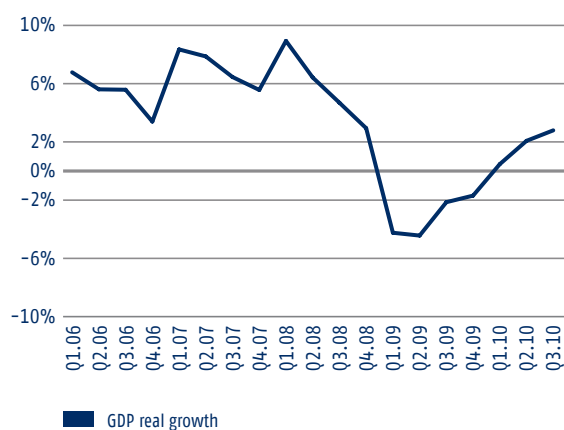
Mirko Španović

Business report

1. Macroeconomic environment and banking sector

In 2010, the Serbian economy got out of the recession, having the real growth of the gross domestic product at the level of first three quarters of 1.8% relative to the same period of 2009. The recovery came from the exports growth, resulting in turn from the recovery of the economy and demand in developed countries. The domestic demand continued falling in 2010, as well as investments. Segments recording the largest y-o-y production growth for the first three quarters of 2010 were telecommunications and transport (7.2%), financial agency (7.0%),

Total production, GDP real growth

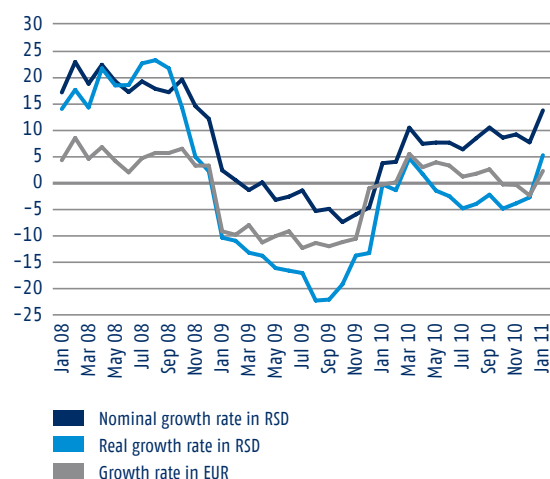


mining and quarrying (6.6%) and processing industry (4.4%). In 2010, the agricultural production was somewhat smaller relative to 2009, as a consequence of worse weather. For the first three quarters of 2010, the agricultural production fell by 1.1% y-o-y. The construction industry continued its production fall in 2010, standing at -11.2% for the first three quarters. The tourism had the same trend, falling by 5.7% y-o-y in the same period. The wholesale and retail trade made only the symbolic positive growth of 0.5% due to the recovery in Q3 2010.

The 2010 total exports of goods stood at 7.4 billion EUR (exceeding the 2009 figure by 24%) and the imports of goods amounted to 12.6 billion EUR (exceeding the 2009 figure by 9.7%). The 2010 deficit of the foreign trade commodity exchange totalled 5,229 million EUR, being 5.7% smaller relative to 2009. The exports growth exceeding the imports growth resulted in the decreased 2010 deficit, in comparison to the 2009 figure. Within the total exports, the largest 2010 growth was recorded by base metals (+57.5% y-o-y), chemical products (+49.9% y-o-y) and agricultural and food products (+40.6% and +15.3% y-o-y respectively). The growth of the total value of the exports of metals and agricultural products was favoured by the growth of prices of these products in international markets in 2010.

During 2010, in spite the economic activity recovery, the unemployment increased, with the largest increase occurring at 2009 end and 2010 beginning. Namely, during 2010, the unemployment rate stood at 19.2%, whereas in October 2009, it stood at 16.6%. In October 2010, there were around 566,000 unemployed in Serbia. The 2010 average monthly net salary was 34,159 RSD or around 330 EUR. It was nominally higher by 8% and in real terms lower by 2% relative to the average net salary in 2009.

Growth rate of the average monthly net salary

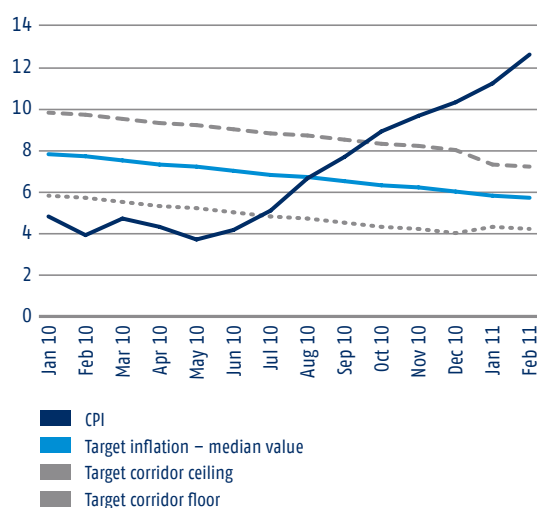


Regarding the price growth, 2010 featured two different periods. Namely, in the first half of the year, the price growth was extremely low considering the local standards, having the y-o-y rates of around 4% on average (below the bottom of the target corridor of the National Bank of Serbia). However, from mid-2010, the inflation measured by the consumer price index started accelerating and exceeded the ceiling of the target corridor of the National Bank of Serbia of 8% from October, to reach the annual rate of 10.3% at 2010 end. Within the total 2010 inflation, the

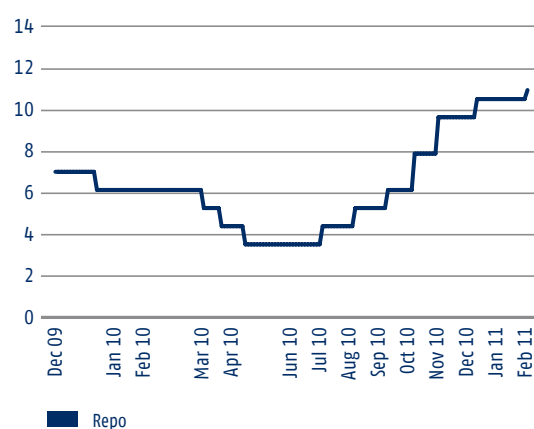
largest price growth was recorded in food products, followed by electricity, tobacco products and petrol.

The monetary policy, derestricting in the first half of the year through several instances of lowering the repo rate, gained restrictiveness in the second half of 2010. From the level of 8%, the repo rate started increasing since August, up to 11.5% in December 2010. The upward adjustments continued at 2011 beginning, reaching 12.25% in March 2011. In February 2010, the National Bank of Serbia decided to decrease the bank mandatory reserve from 45% and 40% to 25% for the FX base and from 10% to 5% for the dinar base, with a year-long transitory period until the full implementation of the new rates. However, at 2011 beginning, close to the expiration of the one-year transitory period for the implementation of the new mandatory reserve rates, as a part of increasing restrictiveness of the monetary policy of the National Bank of Serbia, the mandatory reserve relaxation degree was somewhat lowered. Namely, the FX mandatory reserve for bank financing sources with contracted maturity below two years was set at 30%, instead of original 25%, while the rate for dinar bank financing sources with maturity over two

Consumer price index



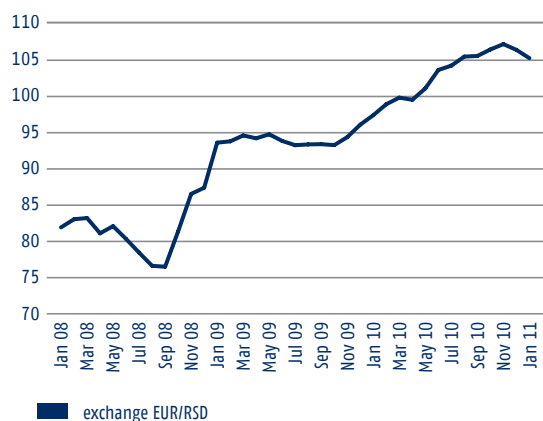
Repo rate



years was decreased from 5% to zero. The new decision also established the obligation of allocating a dinar portion of the FX mandatory reserve in euros of 15% for sources below two years and 10% for those with maturity over two years.

Throughout 2010, dinar decreased relative to euro. Its total decrease was 10% at the annual level, in spite of the fact that the National Bank of Serbia sold 2.5 billion EUR through interventions in the interbank FX market in the same period. However, at 2010 end, dinar gained momentum and the National Bank of Serbia intervened in the opposite direction by buying 226.5 million EUR from banks. At 2011 beginning,

EUR/RSD exchange rate, monthly average



dinar kept appreciating as a result of the increased inflow of foreign capital motivated by carry trade transactions of investing in dinar t-bills, and the interest in placing funds in repo papers with the National Bank of Serbia also increased.

The 2010 budget deficit of the Serbian Government stood at 100 billion RSD, being around 20 billion RSD smaller than planned by the budget review in December 2010 (120 billion RSD). The 2010 consolidated fiscal deficit ranged within limits set under the IMF arrangement, amounting to app. 4.5% of the GDP. Almost the entire deficit was financed from borrowing – by issuing t-bills, borrowing from the local banking sector and foreign creditors.

1.1. Serbian banking sector

The Serbian banking sector, measured by the balance total expressed in euros amounted to 22.7 billion EUR at Q3 end, making the growth of 0.8% or 24% in dinars relative to 2009 end.

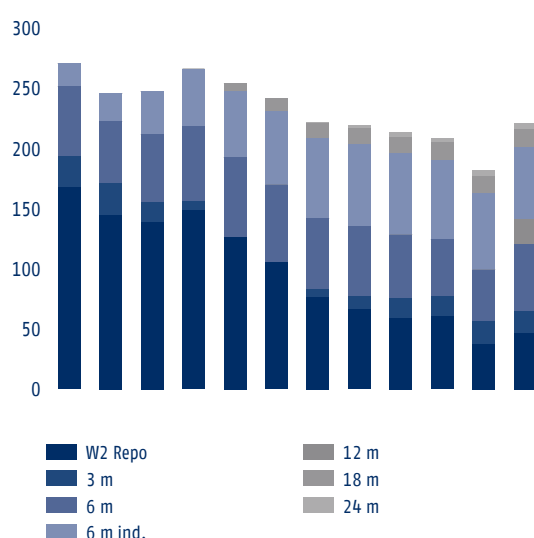
In 2010, the growth of corporate and retail loans from the local banking sector accelerated. Namely, the growth of the total corporate and retail placements from the local banking sector stood at 20% (2009: 10.3%), with retail loans increasing by 18.9% (2009: 3.7%) and corporate loans increasing by 20.4% y-o-y (2009: 13.6%). The accelerated growth of domestic loans in 2010 was largely boosted by the program of subsidised interest rates. In 2010, the amount of approved subsidised loans totalled 1.75 billion EUR (in RSD equivalent value), greatly exceeding the 2009 amount, when around one billion EUR of placements were approved within this program. Out of the total sum of subsidised loans in 2010, 1.4 billion EUR were corporate loans (288 million EUR for investments and app. 1.18 billion EUR for liquidity) and 343 million EUR were retail consumer and cash loans. 2010 featured a continued outflow, i.e. net repayment of cross-border loans. The Serbian corporate debt was decreased by around 870 million EUR on this basis for the whole 2010, whereas the 2009 net repayment amounted to 630 million EUR. Therefore, considering this placement flow as well, the total loan inflow to the Serbian corporate sector in 2010 was much smaller, standing at app. 700 million EUR.

Placements in t-bills, which started to be intensely issued in 2009 as means of treasury borrowing, continued throughout 2010. Namely, in 2010, the banking sector investment in these dinar placements totalled 2,621 million EUR (269 billion RSD) and the total stock of non-matured t-bills at 2010 end reached 251 billion RSD (2009 end: 157 billion RSD). However, the liquidity drawn from repo placements at the 2010 annual level totalled app. one billion EUR (in RSD equivalent value).

At 2010 end, the total retail savings amounted to 7.1 billion EUR, being 1.1 billion EUR higher relative to 2009 end. The to-

Placements in repo and t-bills

RSD billion



creased relative to 2009 when the ROE was 4.6% and ROA was 1.0%. The profit growth of 27% for the first three quarters of 2010 (annualised) relative to 2009 resulted from saving in expenses and smaller intensity of risk provisioning, whereas net interest and commission income were still mildly falling y-o-y.

For the first three quarters of 2010, the Serbian banking sector generated the total profit of 204 million EUR, being 25% higher y-o-y (in the same period in 2009, it amounted to 164 million EUR). A positive result (profit) was generated by 21 banks, totalling 237 million EUR. The remaining 12 banks made losses totalling 33 million EUR. Meaning, the profitability was variable in banks.

Non-performing loans (NPL) in Serbia at Q3 2010 end amounted to 17.8% of the total loans, according to the records of the National Bank of Serbia. The 2010 NPL growth was smaller than the 2009 growth, when it grew from 11.3% at 2008 end by around 4.4 bps to 15.7% at 2009 end.

Loan loss provisions at Q3 2010 end amounted to 1.2 billion EUR, meaning 7.77% relative to the sector gross placements. This indicator was somewhat smaller relative to its value at 2009 end of 7.93%.

tal savings inflow from the year beginning to September end amounted to app. 520 million EUR, whereas only the October and November savings growth – the period of the ‘savings week’ campaign (and ‘savings month’ campaign in some cases) in the banking sector totalled app. 420 million EUR. In the total savings structure, the share of FX savings took 98.3% and the dinar savings share took 1.7%.

The structure of the aggregate liabilities of the banking sector at Q3 2010 end was dominated by other deposits (term, saving and special-purpose deposits) with 44.2% and transactional deposits with 13.3% of the total liabilities. The capital takes 20.2% of the total liabilities, implying very high capitalisation at the level of the entire banking sector. Relative to 2009 end, the capital of the entire banking sector was decreased by around 80 million EUR and as at 30th September 2010, it stood at 4.5 billion EUR.

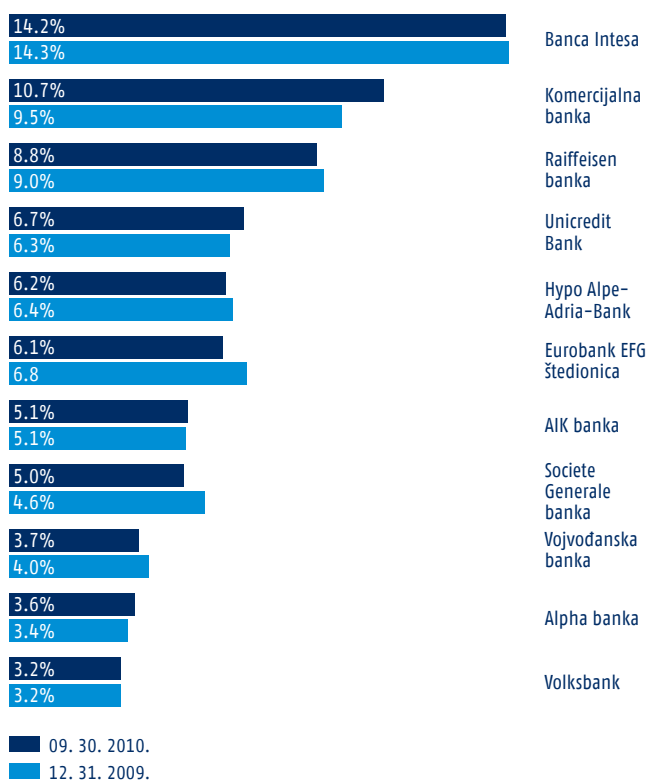
The banking sector profitability for the first three quarters of 2010 amounted to 5.8% (annualised), measured by the ROE or 1.21%, measured by the ROA. Thus, the profitability was in-

Balance sheet net assets of the banking sector

EUR billion



Market shares of individual banks per net assets



1.2. Market position of Hypo Alpe-Adria-Bank a.d. Beograd

Measured by the balance total, at Q3 2010 end, Hypo Alpe-Adria-Bank a.d. Beograd was downgraded from the fourth place of 2009 end to the fifth place, with 6.1% of the market share.

The share of Hypo Alpe-Adria-Bank a.d. Beograd in the total approved loans of the entire banking sector was 6.3%, and the share in the total taken loans and deposits was 5.1%, according to data as at 30th September 2010.

2. Corporate Sector

Despite the continued fall of the demand in the real sector and the narrowed creditworthiness of the domestic economy, Hypo Alpe-Adria-Bank a.d. Beograd managed to make an increase of business in the local market and keep one of leading positions in the corporate segment in 2010.

The Corporate Sector is primarily characterised by long-term business relations and a stable client base, high-quality services and process efficiency, as well as the potential for harmonising existing and creating new products according to market needs.

In 2010, risks embedded in the local real sector prevented the further, expansive growth of corporate loans to a large extent. Nevertheless, the total bank exposure to corporate clients increased to 710 million EUR. At 2010 end, domestic placements totalled 452 million EUR, making the net growth of 5% relative to 2009.

Total corporate placements
EUR million

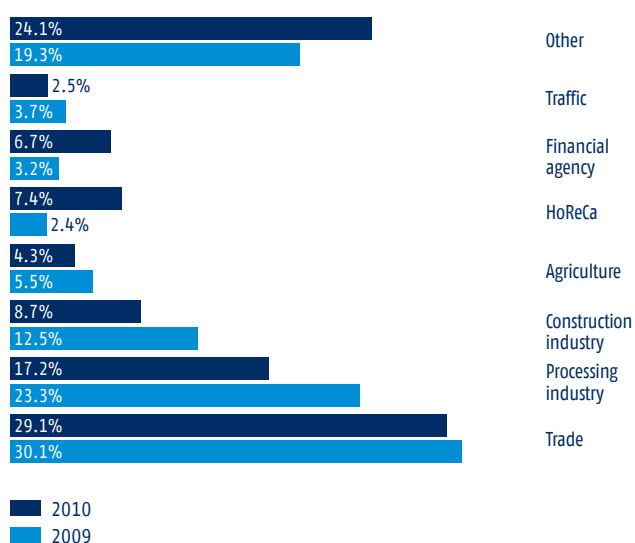
A large portion of new corporate placements was taken by subsidised loans from the Serbian Government's program, since in 2010, corporate clients were approved 39 million EUR of subsidised liquidity loans, as well as investment loans.

In spite of the fact that the 2010 NPL growth decelerated y-o-y, primarily due to the increasingly active approach of banks toward due receivables, the level of NPLs in the banking sector did not stabilise yet. Namely, at Q3 2010 end, the share of NPLs in the total placements in Serbia, according to the central bank's records (gross principle), was 18%.

In the Corporate Sector, the similar trend is observed in the collection of due receivables, as well as in the share of NPLs in the total corporate placements at 2010 end.

Placements by industry retained the structure similar to that of the previous year. The largest number of loans was placed to the trade segment (31%) and processing industry (23%).

Structure of corporate placements per industry

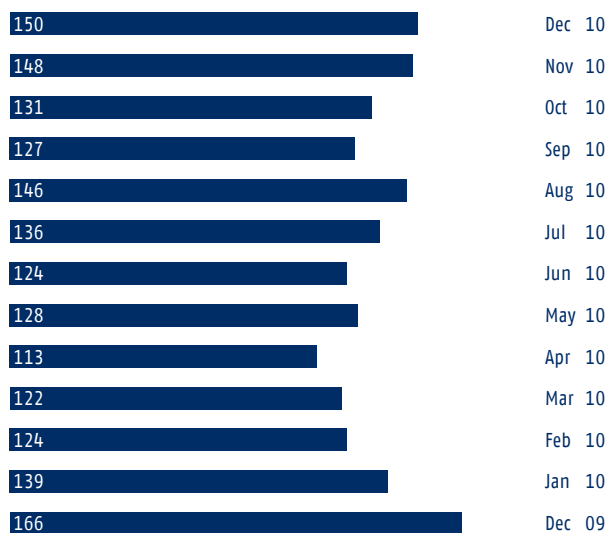


The decreased liquidity of domestic companies negatively influenced the development of corporate deposits, so that 2010 featured large monthly oscillations and somewhat smaller balance of total corporate deposits at 2010 end.

In spite of the general macroeconomic trend of the smaller growth of the banking market, the number of clients of the Corporate Sector increased in 2010 as well, by new 339 clients, increasing the total number of clients to the current figure of 2,509 clients.

Development of corporate deposits in 2010

EUR million



Total corporate deposits by year

EUR million



Standard products and services of the Corporate Sector are investment loans (loans for buying machines, equipment, structures, land and other fixed assets and construction loans), frame loans (current account overdrafts, discounts of bills of exchange, revolving lines), trade finance business (guarantees, letters of credit, redemption of receivables and collection), loans for working capital and loans with subsidized interest rates.

In 2010, the Corporate Sector also offered more favourable conditions for financing by special 'packages' of products primarily intended for clients with good credit history and long-term cooperation with the bank.

As in the previous year, the Corporate Sector will continue improving business activities in the period to come, primarily by raising the quality of services and offering specific tailor-made products.

Financing will be focused on industries having a positive trend and prospect of further growth, as well as on investment projects in the areas complying with the strategic orientation of the Republic of Serbia, such as the energy efficiency, renewable energy sources, waste management, water supply, etc.

On the other hand, the process of portfolio diversification by business activity and loan volume is continued, which objectively decreases risks the bank is exposed to.

Furthermore, we expect the intensification of cooperation with existing clients through a number of cross-selling activities, as well as the acquisition of new clients by offering more favourable conditions of cooperation, which all makes the basis for the growth of total client deposits as the primary source of further financing.

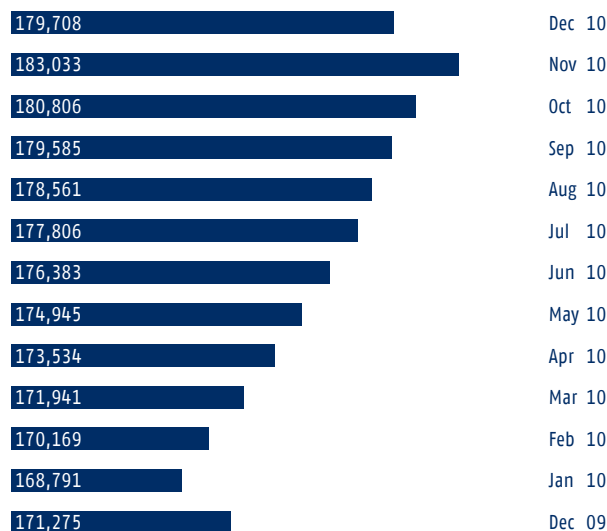
3. Retail and Private Banking Sector

The Retail and Private Banking Sector continued its successful operation in 2010 and made a positive growth trend in all segments.

The total loan portfolio at 2010 end stood at 463.4 million EUR, indicating stability and preservation of the portfolio volume.

The total number of clients at 2010 end was 179,696, which represents the growth trend from previous years continued.

At 2010 end, the deposits balance totalled 298.2 million EUR. The offer of products and services was updated and adjust-

Client number as at 31st December 2010

ed to the needs of clients from the segments of both private individuals and SME and agro.

Throughout 2010, the bank continued implementing measures of the Government of the Republic of Serbia from the program of subsidised car and consumer loans, liquidity, exports and investment loans.

The cooperation with the Ministry of Agriculture, Forestry and Water Management also continued in the form of subsidised loans for registered farms.

In 2010, we also kept improving the efficiency of sale and service quality, application support and processes, as well as the productivity, with the purpose of raising the level of client satisfaction.

At 2010 end, the bank had 38 outlets in total.

Loan portfolio balance as at 31st December 2010

463,447	Dec 10
452,594	Nov 10
446,151	Oct 10
451,987	Sep 10
458,416	Aug 10
448,915	Jul 10
458,173	Jun 10
445,101	May 10
446,633	Apr 10
449,182	Mar 10
446,293	Feb 10
450,233	Jan 10
448,619	Dec 09

Deposit balance as at 31st December 2010

298,157	Dec 10
288,564	Nov 10
305,879	Oct 10
305,048	Sep 10
304,899	Aug 10
303,494	Jul 10
296,642	Jun 10
295,498	May 10
296,165	Apr 10
296,907	Mar 10
302,302	Feb 10
304,294	Jan 10
309,523	Dec 09

4. Public Finance Sector

The operation of the Public Finance Sector in 2010 was marked by the measures for mitigating consequences of the global economic crisis. The previously announced intense investment activity was not realised in the expected volume, especially in the infrastructure segment. The decreased liquidity of the public segment, the characteristics of 2009, was also the trait of 2010. The total Serbian external debt increased by around 1.3 billion EUR in 2010 y-o-y. This increase came from the public sector borrowing, with the private sector debt remaining at the same level, but with changed structure (bank debt increased and corporate debt decreased). It is expected that the private sector debt will keep decreasing in 2011, opposing the growth trend of the public debt. In the year 2010, the expected laws on public property and public-private partnerships were again not adopted.

The balance of placements of the Public Finance Sector of Hypo Alpe-Adria-Bank a.d. Beograd at the yearend stood at 64 million EUR. In the period 1st January 2010 to 31st December 2010, new 35 million EUR were placed and agreed were additional 10 million EUR which will be disbursed in 2011. The operation was mostly focused on cooperation with existing clients. Active analyses of the economic circumstances of our clients made us understand and accept all risks entailed in actual business deals. The lending business of the Public Finance Sector in 2010 was surely predominantly characterised by the intensification of cooperation with the Republic of Serbia through financing a part of the budget deficit. As at 31st December 2010, the total public sector placements stood at 1.2 billion EUR, resulting in the market share of Hypo Alpe-Adria-Bank a.d. Beograd of 5.10%.

The total deposits of the Public Finance Sector of Hypo Alpe-Adria-Bank a.d. Beograd at the yearend amounted to 35 million EUR. The average deposit balance throughout 2010 stood at 62 million EUR. The generally smaller liquidity reflected to the amount of total available funds in the market. The deposit market of the public sector fell from 860 million EUR, as its amount was at 2009 end, to 754 million EUR at 2010 end. As at 31st December 2010, the market share of Hypo Alpe-Adria-Bank a.d. Beograd was 4.60%.

The collection remained substantial in 2010 (100% as at 31st December 2010), reconfirming the fact that the public finance business bears much lower risks. Still, it should be said that this result was also the effect of the continual monitoring of the operation of our clients and prompt reactions to early signals of potential business problems.

5. Treasury Sector

5.1. FX business

In 2010, Hypo Alpe-Adria-Bank a.d. Beograd retained a stable position in the financial and interbank market in Serbia.

Throughout 2010, dinar oscillations continued, diminished only due to massive interventions of the National Bank of Serbia in the FX market. The most intense exchange rate movements were recorded in Q2, while the most intense oscillations of the EUR/RSD exchange rate were recorded in Q4, especially in December 2010. In Q1 and Q3, the exchange rate was rather steady, with this seeming stability being achieved only through massive interventions of the National Bank of Serbia.

In 2010, the National Bank of Serbia sold the total of 2,570 million EUR to commercial banks and bought 237 million EUR.

On average, the National Bank of Serbia monthly sold 220 million EUR for the first eleven months of 2010 for the purpose of alleviating daily exchange rate oscillations. The selling trend of the National Bank of Serbia to commercial banks stopped in December 2010, when the National Bank of Serbia bought net 76 million EUR, mostly through the issue of short-term dinar bonds indexed in EUR at the amount of 190 million EUR.

EUR / RSD exchange rate development in 2010

Average monthly values



In addition to the factor of foreign currency selling by the National Bank of Serbia throughout 2010, in Q4 and especially in December 2010, large foreign banks started selling EUR for RSD in order to invest in t-bills of the Serbian Ministry of Finance, additionally impacting the exchange rate stabilisation.

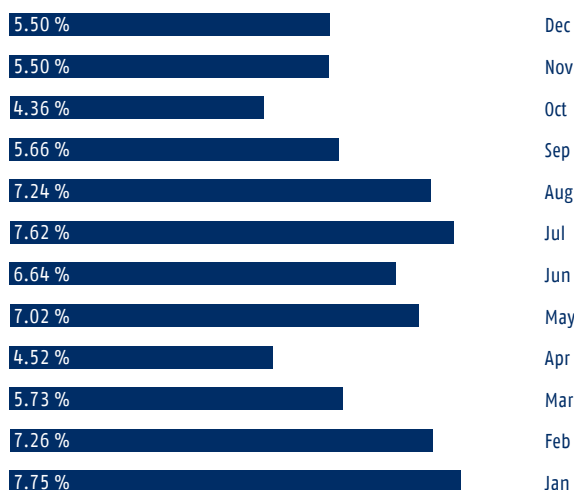
As a result of these factors, during 2010, the exchange rate increased by 10.02%, representing an acceleration of the exchange rate depreciation relative to 2009, when RSD fell to EUR by 7.04%.

In 2010, the y-o-y price growth amounted to 10.3%, whereas the 2009 retail price growth amounted to 6.6%.

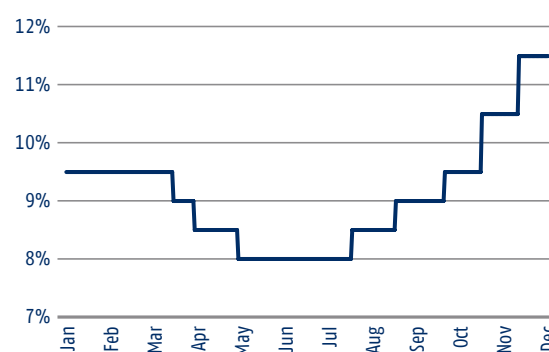
More intense exchange rate volatility, interest of foreign banks in buying dinars and a mild economic recovery in 2010 make factors of the increase of the trading volume in the Serbian interbank market from 6.96 billion EUR in 2009 to 21.25 billion EUR in 2010.

In 2010, Hypo Alpe-Adria-Bank a.d. Beograd managed to retain the position of one of the leading banks in the country and to take the share in the interbank trade of 6.19%¹⁾, and the share in buying/selling with clients residents and non-residents was 6.27% and 6.69% respectively.

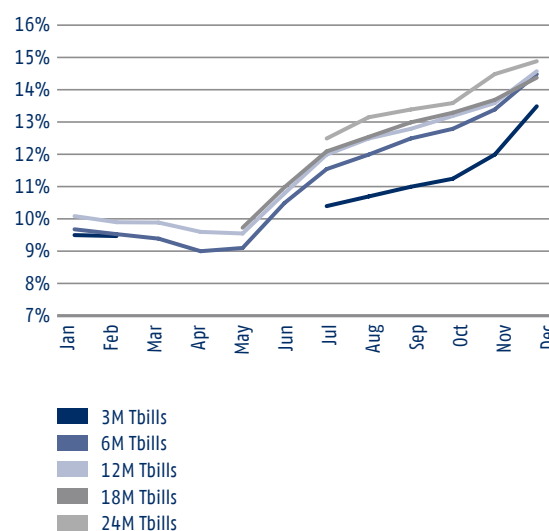
Monthly shares of Hypo bank in the interbank FX market in 2010



Repo rate development in 2010 (in %)



Development of t-bill yield in 2010 (in %)

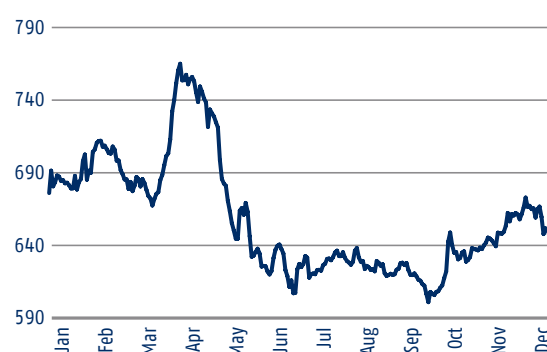


1) Calculated according to the internal methodology for the entire year, including the value date below 2 business days

Belex Line Index



Belex 15 Index



5.2. Monetary policy of the National Bank of Serbia

The National Bank of Serbia kept strengthening market instruments of the monetary policy. In line with its policy, the National Bank of Serbia continued to use monetary instruments for controlling movements of the basis inflation rate, i.e. bringing down the basis inflation within the targeted corridor. In 2010, due to a surge of food prices, the targeted inflation of 6%+ 2% was not achieved. The 2010 price growth was 10.3%.

In 2010, the National Bank of Serbia continued intervening with the purpose of decreasing daily oscillations of the EUR/RSD exchange rate. The volume of net interventions of the National Bank of Serbia totalled 2.33 billion EUR on the side of foreign currency selling to commercial banks.

The 2010 reference interest rate ranged from 11.50% to 8.00%.

5.3. Capital market

Trade in long-term securities denominated in EUR during 2010 retained the stagnation trend of low turnover and yield fall. The yield fall may be reasoned by the continued investor interest in investing excess funds in low-risk securities bearing smaller risks of investing in proprietary securities in the Belgrade Stock Exchange.

The yield ranged between 3.5% and 5.5% and the highest activity was recorded in longest series with tenors in 2015 and 2016.

The proprietary securities in the Belgrade Stock Exchange in 2010 made a mild rise, with somewhat increased trading volume. The broadest Belgrade SE index BelexLine made a rise of 1.35% in 2010, whereas the index of best Belgrade SE securities Belex15 made a rise of 1.87%. Unlike previous two years, 2010 featured an increased interest of foreign investors in buying proprietary securities in Serbia.

During 2010, the Serbian Ministry of Finance radically increased the volume of issuing debt securities and started actively issuing and auctioning t-bills with tenors over 52 weeks which may be bought by non-resident investors. Due to the favourable investment climate, high nominal interest rates (up to 15% p.a.), constant interventions of the National Bank of Serbia on the side of foreign currency selling and the consequential exchange rate stabilisation, foreign investors perceived this as a good investment opportunity.

Following the same pattern, Hypo Alpe-Adria-Bank a.d. Beograd continued being one of the leaders in this market with the portfolio of 123 million EUR at 2010 end.

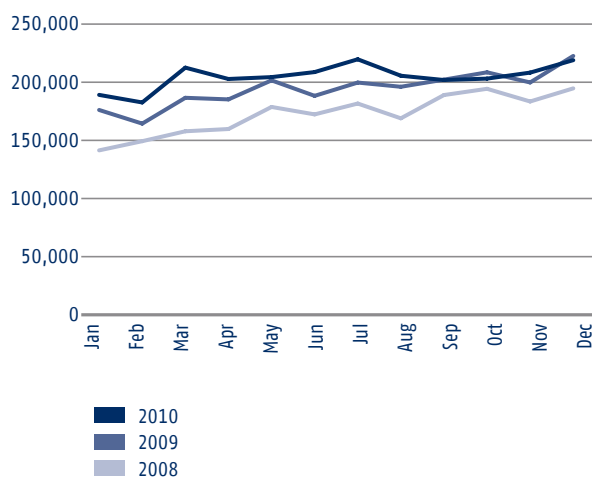
6. Transaction Banking Sector

At 2010 end, over sixteen thousand clients – domestic legal entities had accounts opened with the bank for performing their core business activity, which exceeds the 2009 end figure by 2%.

The number of clients which opened accounts in foreign currency for performing foreign trade activities increased by 11.44 % relative to the client number in the previous year.

The number of transactions of domestic legal entities in 2010 made the growth of 4% in comparison to 2009 (over 12 million transactions). Further, 2010 featured the growth of the total turnover in the domestic payment operations by 3.6%.

Number of transactions in domestic payment operations

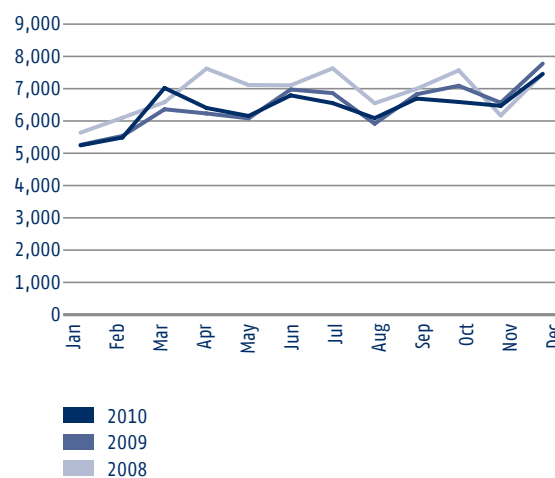


The total commission income from clients for services in the domestic payment operations (both legal entities and natural persons) in 2010 amounted to 365,390,617.62 RSD, being 2.8% smaller relative to the 2009 figure.

The number of transactions made in 2010 by international payment instruments did not change significantly relative to the previous year and in the same period, the volume of international payments had a downward trend (9.47%).

In 2010, the bank was awarded by reputable banks – Commerzbank and J. P. Morgan Bank with the prize STP Award 2009 (Straight Through Processing), given for the exceptional quality in performing international financial transactions. During 2010, the bank took an active role in the operation of the International Clearing of FX Payments of the National Bank of Serbia.

Number of issued card transactions

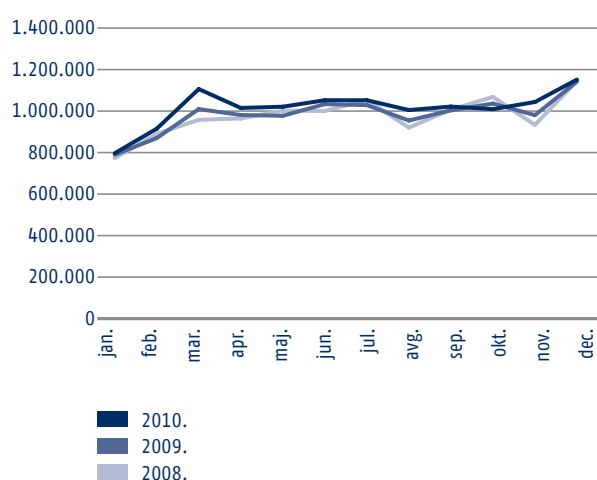


At 2010 end, the number of clients – legal entities using e-banking and SMS services totalled app. 4,000. E-banking transactions of legal entities had the share of 51.32% in the total number of cashless transactions and in the total operations, their share was 80.48% in relation to all cashless transactions of the domestic payments.

The number of natural persons using web e-banking and SMS services exceeded 15,500 at 2010 end.

Clients were also provided the service of payment card transaction listing.

Broj transakcija izdatih kartica



The monthly number of transactions made by our clients (84,629 issued cards in 2010) fell by around 1.6% – from 223,107 in December 2009, to 219,479 in December 2010, but, as analyses showed, the fall in the number of card transactions was a general trend in Serbia in 2010.

The generated turnover in cards issued by Hypo Alpe-Adria-Bank a.d. Beograd made the increase of app. 6.7% – from 953,000,000 RSD in December 2009 to 1,017,000,000 RSD in December 2010.

The bank's card business in the previous year was characterised by the migration to chips for business cards and the implementation of the full on-line regime for debit products, making us the leader at the level of the Hypo Group.

The bank's ATM network totals 45.

In line with the decreased volume of trading in the Belgrade Stock Exchange, the majority of business activities in 2010 were focused on carrying out client corporate activities. Regardless of this fact, the bank still ranked among the top five members of the Central Securities Depository and Clearing House in the turnover value of settlement transactions of share trading in the Belgrade Stock Exchange and among the top ten in takeover bids.

7. Credit Processing Sector

The Credit Processing Sector is an important element in the credit process realisation, focusing on minimising business risks of the bank. It is organised as an independent organisational part of the bank processing credit and deposit operations of bank's clients.

At the bank's Risk Committee sessions held monthly, with one of its main goals being monitoring of the bank's exposure to the credit risk, the Sector's involvement implies the creation of reports and presentation of overviews of the coverage of disbursed placements with contracted collaterals by bank's business segments.

The Sector is also responsible for taking part in the monthly Watch Loan Committee – WLC sessions whose purpose is to monitor claims from borrowers having a default status in servicing their liabilities. This involvement implies the creation of reports on statuses of contracted collaterals, their appraisals and related insurance policies.

The Sector's responsibilities also include the organisation and holding of meetings of the Quality Committee in line with the work of the Quality Committee of the Hypo Group, where decisions on activities relevant for the improvement of the bank's data quality level are discussed and passed.

During 2010, the Credit Processing Sector actively worked on the implementation of new versions of the credit process policies falling within its competence. It defined process parameters for the reminder mechanism for corporate, public finance, retail and private banking clients. It introduced new criteria for collateral evaluation and defined roles and responsibilities of competent organisational parts of the bank in the process of collateral monitoring. It implemented the new KOOB application at the Hypo Group level, whose goal is to monitor the exposure of borrower units/related parties defined under the rules of the Borrower Definition Policy, and the adopted KOOB Policy intensified the role of market sectors and risk managers in the segment of the identification/verification of related parties.

The Credit Processing Sector had an active role in the RWA optimisation project initiated by the Hypo Group.

With their joint work and efforts, the Data Quality Management Department and the Contract Development and Collateralisation Department of the Credit Processing Sector

contributed to achieving the target of the RWA optimisation. Permanent work on the improvement of data quality, monitoring, measurement and assessment of collaterals in the segment of the credit risk mitigation, being among the key factors, contributed to the total result of the decreased RWA amount of 9.1% achieved at the bank level.

According to the request of the Hypo Group, the project of the bank and leasing integration was started, and the Credit Processing Sector was involved in the project in the segments of planning and defining goals and fundamentals of the functional integration based on joint activities of the two independent entities.

In line with the new credit process and possibility of delegating standard contracts to the responsibility of market sectors, the Credit Processing Sector initiated the process of reviewing standard contracts and, at the request of the Retail and Private Banking Sector, transferred processing of contracts for certain types of products to its responsibility, with the purpose of speeding up the retail lending process.

In the previous year, the Credit Processing Sector continued its active involvement in the File Net project aimed at improving the work process, scanning and archiving credit files of the bank.

The key 2010 goals were the improvement of the work of the Sector, implementation of the new credit process and functional integration with the Credit Processing Department of Hypo Leasing.

8. Credit Risk Management Sector

The Credit Risk Management Sector is an important element in the organisation and has a very significant role in the overall success of the bank. With the view to the newly-established credit process, the Sector is responsible for the consistent identification, assessment, measurement, monitoring and management of the bank's credit risks at all levels and segments of credit business. These activities are carried out on the basis of recommendations, rules and guidelines of the Hypo Group. The Sector was formed in 2009 after the reorganisation of the former Market Support Sector.

Monthly meetings of the Watch Loan Committee have great importance for functioning of the bank and the management reporting on clients with difficulties in servicing their liabilities to the bank. These meetings are prepared by a number of bank's departments, resulting in actual actions taken for collecting bank's claims. The Credit Risk Management Sector is also responsible for functioning of the Risk Committee (RICO) of the bank, concerning the preparation of monthly reports on trends of the credit risk in the bank's loan portfolio. RICO makes monthly recommendations to the Executive Board of the bank for taking operative measures for decreasing and mitigating existing bank's risks to an acceptable level.

The Credit Risk Management Sector comprises of the following departments:

- Corporate Credit Risk Assessment Department
- Retail Credit Risk Assessment Department
- Credit Risk Assessment Department – Financial Institutions
- Financial Analysis Department
- Credit Risk Monitoring and Measurement Department
- Credit Business Support Department.

Efficient credit risk management as the critical component in the overall approach of the risk management is the ultimate goal of the Credit Risk Management Sector in this year. Its importance is especially highlighted in the context of the current economic crisis – deceleration of the economic activity and decrease of the liquidity in the market. Given the negative effects and consequences of the economic crisis and the slow recovery of the domestic economy, in order to efficiently manage the credit risk, during 2010, the Credit Risk Management Sector especially focused on client monitoring, aiming at timely taking adequate actions and measures for preserving the portfolio quality. In order to achieve that, it elaborately screened, analysed and assessed the financial, market and credit potential of the existing portfolio and reviewed the viability and coverage of placements by contracted collaterals within the Review Rush project organised and implemented in cooperation with the Hypo Group. The results of this

project are aimed at providing timely information and pointing to potential risk factors, as well as ensuring adequate reactions of the bank in order to prevent the deterioration of the portfolio quality. This also provides further support in stabilising and preserving the business continuity of the bank's clients and enables the continued development and revival of the domestic economy.

The Credit Risk Management Sector is actively engaged in the bank's preparations for implementing Basel II recommendations, complying with the new regulations of the National Bank of Serbia. This task is attended by all bank's sectors.

9. Rehabilitation Sector

In November 2010, the systematization of the Rehabilitation Sector was changed in order to harmonise the business process and competences with the Group requests, and the following departments were formed:

- Local Task Force Rehabilitation Department
- Support and Reporting Department
- Risk Assessment Department

During 2010, the Rehabilitation Sector took an active role in the collection, restructuring and rehabilitation of bank's non-performing loans, as well as in the remarketing of pledged property.

The Rehabilitation Sector consists of the following six departments:

9.1. Placements under Restructuring Department

The core activity of the Department is restructuring, implying the following:

- Financial analysis of clients aimed at giving adequate restructuring proposals;

- Creation and presentation of opinions and proposals for each individual restructuring case and creation of new loan proposals with adequate argumentations;
- Permanent control of new measures taken for improving client financial situations for the collection purposes;
- Monitoring – after client restructuring, it may be established (based on client's financial standing) that the client should not be reassigned to the regular status, i.e. client's branch of registration and should stay under the Department monitoring until client's financial standing is improved to the level where the client can continue duly settling the liabilities to the bank;
- Negotiations with prospect buyers in case of collateral remarketing (movable and/or immovable property);
- Reporting on the status of clients assigned to the Department's competence.

9.2. Bankruptcies and Litigations Department

The core activity of the Department is forced collection, implying the following:

- Analysis of the legal status of collaterals and loan placements;
- Providing of legal opinions under proposals for loan rescheduling and restructuring;
- Creation of contracts and collateralisation in case of loan rescheduling and restructuring;
- Creation of other legal documents in line with the procedures of the Rehabilitation Sector and the Bankruptcies and Litigations Department;
- Bank representation in collection related to cases assigned to the Department;
- Supervision of the work of engaged external law firms;
- Creation of reports on the status of cases where court proceedings are initiated;
- Negotiations with prospect buyers in case of selling collaterals (movable and/or immovable property);
- Organisation of the collateral remarketing process.

9.3. Collection Department

The Collection Department is responsible for calling retail clients (current accounts included) in default for over 10 days, as well as entrepreneurs, farmers and SMEs in default for over 60 days, with engaging external collection agencies if needed in order to make the process more efficient. The Collection Department also keeps client records: residence addresses, phone numbers (cell, home), employer addresses and contacts.

We use the following methods: phone calls (bank's officer informs clients on their due liabilities and gives deadlines for their settlement) and reminders (sending of written reminders to clients). These activities are followed by reporting to the director of the Rehabilitation Sector on the activities taken and collection results, which is recorded in monthly reports.

9.4. Local Task Force Rehabilitation Department

The Local Task Force Rehabilitation Department is engaged in the preparation and presentation of opinions and proposals for each individual case of restructuring, as well as the preparation of new loan requests containing adequate argumentations. For the purpose of giving adequate restructuring proposals, we make client financial analyses. We also continually control new measures taken for improving client financial situations for the purpose of collecting claims.

9.5. Support and Reporting Department

The main activity of the Support and Reporting Department is cooperation with other departments within the Sector and their support. We monitor and implement all legal regulations relevant for the scope of the Sector, with creating procedures and instructions covering the scope of activities of the Sector. We control reports downloaded from IT systems and prepare special reports at special requests of the director of the Sector and the Executive Board of the bank.

9.6. Risk Assessment Department

The Risk Assessment Department is engaged in giving expert opinions and assessments of client creditworthiness relative to offered collaterals and requested loan amounts, with doing credit risk assessments which contain opinions on loan requests. We also present loan requests within the competence of the Rehabilitation Sector at relevant credit committees.

10. Service and Procurement Sector

The Service and Procurement Sector was formed on 1st September 2010, after the decision of the Hypo Group that all logistics and real estate management activities would be re-established within the bank. In line with this decision, the Executive Board of the bank decided to form the Service and Procurement Sector, comprised of the Procurement Department, Real Estate Management Department, Investment Department and Call Centre Unit.

In line with the new organisational changes, as of 15th September 2010, procurement activities were centralised at the bank level, carried out through the **Procurement Department**.

The core activity of the Procurement Department is the implementation of the complete process of the procurement of goods, works and services for the bank needs, in accordance with applicable procedures, instructions and manuals, for the purpose of providing the competitive process and consequentially realising the procurement process in the bank's best interest. In order to obtain best conditions for the bank, the Procurement Department does permanent market research and keep continual contact with suppliers, with the aim of providing the best possible quality of services and goods at the lowest possible prices.

In addition to establishing the entire tender process and organising departments, within the short period of 1st October to 31st December, there were seven larger procurement processes (procurement processes whose estimated value exceeded 10,000 EUR), and the total saving under the new contracts relative to the previous contracts was around 5%. Moreover, there was a number of procurements of smaller amounts (up to 10,000 EUR).

The **Real Estate Management Department** is in charge of the bank's immovable and movable property.

- From 15th September, it carried out the project of cutting costs of business space renting, resulting in the annual rental expenses decrease of 145,500 EUR.
- We rolled out the Real Estate Database, containing the entire data on bank's real estate, with the purpose of facilitating real estate management, implying the optimum use of the working space and employee positioning and providing the qualitative and quantitative assessment of structures owned and rented by the bank.

- Technical maintenance of buildings and equipment was centralised in the Technical Service Unit within the Facility Management Department, so that all services and works related to the maintenance of facilities, equipment and devices used in operation of the bank were transferred to the competence of the Technical Service Unit (cleaning, 3D services, office equipment maintenance, banking equipment maintenance) and reported via the software system for failure reporting CAFM.
- Other organisational units within the Facility Management Department provide best possible services to the bank's users, concerning scanning and archiving of documents, car fleet maintenance, reception and dispatch of internal mail, etc.

The **Investment Department** develops and implements Group standards in the methodology of monitoring projects financed by the bank and its important 2011 task concerns the network development and search for 7 new locations, in line with the decision to increase the network by 20 organisational parts by June 2012.

The Call Centre Unit, with only 4 employees and double-shift operation, continued its activities from the previous period, implying offering of basic information on bank's products and services. One of the major activities is telemarketing in saving campaigns.

11. Legal Department

During 2010, the Legal Department organised, within the scope of its regular activities, the creation, legal check and record-keeping of all bank documents related to its status, internal organisation, business policy and all forms of business activities of the bank and created contract templates (loan contracts, guarantee contracts, L/C contracts, etc.) and actual contracts the bank concluded with clients, related to more complex and non-standard activities.

The tasks of the Legal Department also included the following:

- Creation of materials and documents necessary for holding sessions of the bank's Assembly and Board of Directors;
- Giving legal opinions on a number of issues occurring in the work of other organisational parts of the bank;

- Taking of all necessary actions before government authorities in the process of bank recapitalisation;
- Obtaining of required consents, decisions and approvals of the National Bank of Serbia, Securities Commission, Central Securities Depository and Clearing House and other competent government authorities.

The Legal Department carried out non-collection related court proceedings for the bank, made checks of decisions and requests forwarded for adoption to the Executive Board of the bank, informed employees on changes of legal regulations, completed registration processes with the Business Registers Agency concerning changes of such elements whose change registration was prescribed as mandatory and carried out other activities at the request of the Executive Board of the bank.

12. Compliance and AML Sector

12.1. Compliance Department

The Compliance Department monitors, assesses and controls compliance risks, being the risk of legal or other sanctions of the regulatory body, reputation risk and risk of financial losses.

The 2010 activities were primarily based on obligations stemming from the Law on Banks, Decision on the manner and conditions for the identification, monitoring and management of bank compliance risks and the Decision on detailed conditions and manner of dealing with bank customer complaints, as well as from the Program of monitoring compliance risks.

In cooperation with the Compliance Sector of the Hypo Group, we implemented the Fraud Prevention Program, aiming at decreasing operational risks stemming from internal and external frauds.

The Compliance Department informs the Audit Committee, and the Board of Directors, on its activities on monthly basis. Observed compliance risks are monthly reported to the Operations Committee and the Risk Committee. In addition to actual analyses, the Compliance Department gives proposals to the Executive Board for improving the control of these risks and the business operation.

Considering the good image of the bank, the Compliance Department ensures that each client complaint is answered and that, if possible, all client needs related to banking services are satisfied.

12.2. AML Department

In 2010, the AML Department, in line with the Law on the Prevention of Money Laundering and Terrorism Financing and the related by-laws, was engaged in the following activities:

- Monitoring, recording and supervision of all cash and cashless transactions, aimed at the prevention of money laundering and terrorism financing;
- Check, analysis and examination of transactions with the purpose of preventing money laundering and terrorism financing;
- Involvement in the assessment of the riskiness of bank clients;
- Analysis of the risk of money laundering and terrorism financing;
- Implementation of software applications for searching lists of terrorists and terrorist organizations and discovering suspicious transactions;
- Employee training for the prevention of money laundering and terrorism financing;
- Cooperation with government authorities in charge of the prevention of money laundering and terrorism financing.

The AML Department creates monthly reports on its activities for the Executive Board, Audit Committee and Group Department Compliance and twice a year it reports to the National Bank of Serbia – Bank Supervision Department.

13. Risk Controlling Department

The Risk Controlling Department is one of four organizational units directly subordinated to an Executive Board member in charge of risks. The Risk Controlling Department is in charge of the identification, measurement, control, monitoring and reporting on risks at the bank level.

Bearing in mind the continued economic crisis, the operation of the Risk Controlling Department in 2010 was characterized by the continued intensification of the process of the identification, assessment, control and reporting on the bank's risk profile implying the credit risk, liquidity risk, interest rate risk and operational risk of the bank.

Starting from the experience and practice of previous years when the economic crisis was in its initial stages, in 2010, the Risk Controlling Department continued working on the development and implementation of methods, instruments and tools

for the risk measurement and assessment, as well as on the development of more complex analysis of credit risk scenarios and more frequent reporting on bank's risks to the Executive Board and the Hypo Group.

By taking an active role in the work of relevant committees and working bodies of the bank on managing relevant projects and by coordinating these activities with the Hypo Group, in 2010, the Risk Controlling Department was an important factor in the process of creating the strategy for the bank's risk management and improving risk analysis methods, as well as in the very process of the bank's risk management.

In 2010, the Risk Controlling Department also continued being actively involved in bank's preparations for the implementation of Basel II standards whose full implementation deadline, under the decision of the National Bank of Serbia, is 31st December 2011.

14. Economic Analysis Department

The Economic Analysis Department operates as an independent department subordinated to the Executive Board of the bank, with the purpose of providing necessary analyses and data for the bank's management to be used in the process of making decisions and plans.

Key tasks of the Economic Analysis Department are monitoring of macroeconomic tendencies and policies in the country and the region, developments within the banking sector and trends and perspectives of individual economy segments. In addition to monitoring tendencies, the Economic Analysis Department creates projections of future developments of key economic and financial figures relevant for the bank's operation.

The Economic Analysis Department regularly makes analyses of the operation of the Serbian banking sector based on quarterly data on banks' balance sheets, occasional short economic analyses of current issues – Macroeconomic Reviews, as well as analyses of the situations and perspectives of individual economy branches relevant for the bank's portfolio. In addition to regular materials with the internal purpose, the Economic Analysis Department is involved in creating regular monthly issues of the Economic Digest – A Finance and Market Trends Guide, printed and distributed to clients and other interested parties.

The Economic Analysis Department also creates research and analytical materials on specific economic issues of general interest, presented when the bank's management is invited to discussions at various professional gatherings.

15. Human Resources Management Department

At 2010 end, Hypo Alpe-Adria-Bank a.d. Beograd had the total of 816 employees. As usual, the gender structure favoured the female – 71%, relative to 29% of the male. The majority of employees were in the age group 30 to 39 – 56% and regarding education, the largest percent of employees had university education – 52%, followed by secondary school education with 31%.

Constant changes in the banking market and economy in general necessitate continual education and work on employee development. Being aware of this fact, Hypo Alpe-Adria-Bank a.d. Beograd strategically invests in the human resources, and in 2010, we continued focusing on the education, professional training and professional development of members of our team.

In 2010, we accomplished plans defined on the basis of identified needs, both on the Group and local level, and the average number of days of training per employee was 3.15. We continued focusing on internal and in-house trainings. Throughout the year, we focused most on the group-wide train-

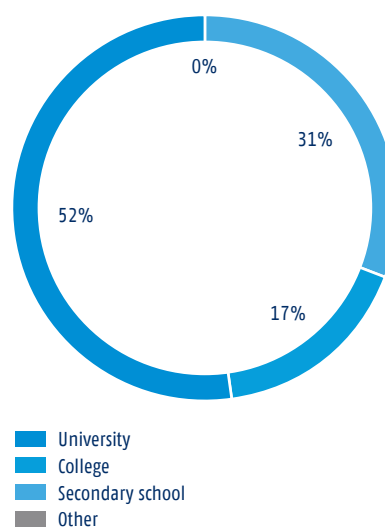
ing 'Business Risk Analysis and Corporate Finance', held in parallel in training centres in Serbia, Croatia, Italy and Austria. A part of the employees of Hypo Alpe-Adria-Bank a.d. Beograd attended trainings in Austria, while the remaining part of nominated employees attended trainings in our training centre in Belgrade. Lecturers at these trainings were internal trainers who had been previously trained by the training provider – the training institute Korn & Korn, Germany. We also hosted colleagues from Montenegro and colleagues from Hypo Leasing and Hypo Rent Serbia. Employees also had other trainings organised by the Group, such as: System Oriented Management (Module 1 – Managing Organizations and Module 2 – Leading People), Private Banking, Treasury Professional Education, Controlling Training and Risk Early Warning Signals in Corporate Business.

A considerable portion of the employee education was realised through internally and in-house organised training programs at the bank's training centre – AML training, training in fast SME loans, customer care, sales skills, CRM-Corporate and CRM-SME workshops, organised with the purpose of improving

Employee gender structure



Employee education structure



the quality of business processes, professional communication and cooperation, as well as employee training for using the applications CAFM and MIS, phone communication with debtors, novelties in legal regulations based on the Law on Planning and Construction, forged money – features and methods of recognition, sales skills – advisor seller, implementation of Basel II – Risk Workshop, Delta insurance training, etc. Employees were also given the chance, as usual, to improve their professional knowledge at seminars organised by the Association of Serbian Banks, National Bank of Serbia – Banking and Finance Academy, MBA – Institute for Business Research, Chamber of Commerce, Euromoney Training, ACI courses, Privredni savetnik, Računovodstvo d.o.o. etc.

Aiming at continually investing in our own resources, in the previous year, we continued providing support to employees through giving scholarships. In addition to investing in own resources, we kept providing support to young people by giving scholarships to students under the auspices of the Serbian Business Club Privrednik, within the program focusing on supporting young people with insufficient funds and excellent results

in their studies. In addition to providing scholarships, our contribution to the education of young people implied internships of students and secondary school pupils.

In 2010, we continued the program of senior and mid management professional development by creating individual and team plans for further development.

The 2011 plan implies internal and in-house trainings and development programs based on defined needs of the Group and the bank.

16. Orga / IT Sector

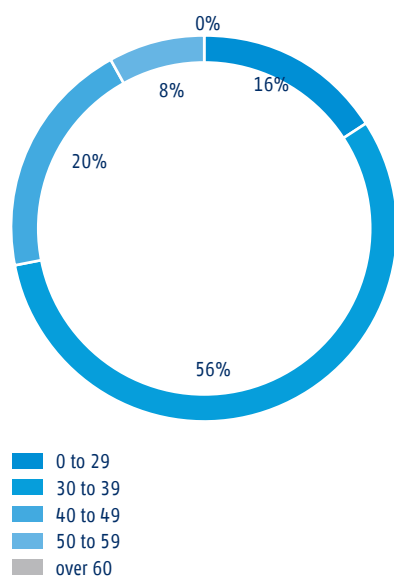
In 2010, the Orga/IT Sector continued its activities on the service sector organisation. The use of the Service Desk tools was popularised with users of IT services at the bank level, providing for the improved management of services in terms of expected-possible. Such a system, giving a transparent overview of incidents and requests, their statuses and taken measures, is an environment where potential bottlenecks in the service availability may be adequately detected and defined in order to take corrective and improvement measures aimed at increased efficiency, i.e. better quality of IT services.

In 2010, we implemented the disaster recovery location and therefore fulfilled requirements of the BIA (Business Impact Analysis) given through the BCP (Business Continuity Plan), and the operational risk in case of a disaster at the primary location was minimised. The design of the technical solution used in the implementation complies with the latest standards of the IT industry in this field.

The majority of activities of the Infrastructure and Operations Department in 2010 were aimed at the continual improvement of infrastructure services through the implementation of new versions of the system software, resource centralisation and rationalisation and data protection and preservation. The technical realisation of the disaster recovery location was also handled from this department, with the maximum utilisation of the virtualisation of the existing data centre at the primary location and the technology of the virtualisation of work positions, providing solution flexibility and high governance.

The Software Development Department worked on perfecting the data model in the DWH (Data Warehouse) environment and the improvement of the reporting system, with the purpose of higher-quality responses to user requests for reports. For instance, due to gathered data, we internally developed a service

Employee age structure



for sending electronic statements to clients, perfected the model of profitability reports for the corporate segment and created models for the SME and Retail. Regarding the applicative development, we focused the most on the development of the workflow application (CPM) as a support to the new credit process implemented this year. For this purpose, we developed modules for the Corporate and Public segment and started the development for the SME segment. Within the same process, we developed an application for monitoring decisions from credit committee sessions, which is an upgrade of the said CPM module. Data from these and other relevant applications were gathered in a unified data structure representing the approval book.

The activities of the Business Support and Development Department implied providing of support to business sectors/departments in realising a great number of request (developed externally and internally) through analysis, processing, testing and rolling out. The most important of these requests which were realised were: migration of debit cards to the full online regime, harmonisation of application password rules according to minimum security standards, anticipation savings, step-by-step saving, interbank FX clearing, implementation of the new application for updating the charter of accounts, report on cross-border loans for the Credit Bureau, records of interbank complaints, daily calculation of commissions in dinar payment operations. The Business Support and Development Department also permanently provided support to business users in using existing applications, implying communication with various vendors whose solutions were used.

The Organisational Development Department took an active role in the project of the optimisation of the new credit process in the stage of analysis and design of a new software solution for managing loan requests of the Corporate and SME segments. We provided active support to the bank in its organisational changes, in the segment of changing the systematisation of work positions. We coordinated the annual audit of internal business documents of the bank where the analysis showed that documents were updated to a great degree – 90%. The role of project portfolio managers and project management officers in 9 projects at 2010 end was also important.

In 2010, the management of the Sector made an important contribution to the review and negotiations in the field of outsourcing services for processing, maintenance and development of the bank's core system, aimed at improving these services according to the bank's needs.

At 2010 end, the Orga/IT Sector had 33 employees.

17. Marketing Department

In 2010, the Marketing Department continued predominantly monitoring the operation of the Retail Sector. In the retail business segment, in the first half of the year, the bank focused its promotional activities on advertising attractive packages of current accounts, savings and the loyalty program for all users of Hypo cards. In the second half of the year, we promoted both retail and corporate loans and at the year end, savings and deposits were promoted. The bank was promoted as a stable and safe financial institution, offering to its clients very favourable conditions for borrowing and saving and new products and services fulfilling their needs, which resulted in a positive image in the public and the recognisable brand of the Hypo bank.

The majority of the 2010 marketing budget – app. 60% were spent on media campaigns. Out of this figure, as much as 80% covered advertising of retail products and services, in line with the bank's strategy of increasing its market share in this business segment.

At the year beginning, we started the loyalty program for all users of bank's cards, aimed at awarding users of our payment cards. After that, we promoted current account packages by a prize game lasting for three months. In the second half of 2010, the bank achieved the projected target in collecting savings due to attractive savings products accompanied by a well-created marketing campaign. The campaign covered all the media, as well as intense promotional activities, and it was carried out throughout the second part of the year with variable dynamics. The peak of the deposit campaign was reached in November which is traditionally a savings month at Hypo Alpe-Adria-Bank a.d. Beograd.

In spite of the consequences of the economic crisis still occurring in 2010, the bank managed to achieve its business plans and generate profit.

Priorities for 2011 imply even more intense support to all activities of the bank focused on new products and services, as well as on current events in the domestic and international financial market.

Our intention is to continue finding new forms of communication with clients, especially in the segments of retail and small companies and entrepreneurs.

To maintain the current bank's position in the Serbian market will also be a goal for 2011.

18. Corporate Communications Department

The scope of work of the Corporate Communications Department implies the management of internal and external information channels, as well as the development of bank's activities aimed at raising awareness of social responsibility to the community and the environment. The operation of the Corporate Communications Department in 2010 continued focusing on both the creation and production of printed and electronic publications for the bank and daily communication with the media representatives, with constantly providing operational support to other organisational units in achieving their projected targets. Regarding the social responsibility activities, in addition to donor campaigns, the Corporate Communications Department represented interests of the bank as a member of the United Nations project – Global Compact. In 2010, we published the first publication on socially responsible activities of the bank titled *Jointly Forward*.

19. Financial Controlling Department

The Financial Controlling Department operates as an independent department subordinated to the Executive Board of the bank. The objective of the Financial Controlling Department is to provide regular process of reporting on achieved results per all vertical levels, adequate planning process whose end result is the budget and five-year business plan and to develop various instruments aimed at measuring profitability and improving the reporting process for the purpose of the utmost efficiency of the management of the bank by the Executive Board.

The key task of the Financial Controlling Department is to monitor bank's operation, in terms of the planned growth of the loan portfolio, deposits and other financing sources, the structure of operational income/expenditure, new investments and cost control, as well the measurement of profitability and efficiency. The objective is sustainable growth and balanced activities in terms of profitability and risks.

The Financial Controlling Department supports all market sectors in the field of reporting, planning, creation of various analyses and development of financial models. Communication with other organisational units and the Hypo Group is also a part of daily activities.

In 2010, we started the COGNOS project with the idea to improve primarily the reporting system and the planning system as well.

20. Security Monitoring and Prevention Department

The Security Monitoring and Prevention Department was formed on 10th August 2010. The reasons for establishing an independent department by separating the Security Unit and the Information Security Unit from the Compliance and Security Sector were primarily the improvement of the efficiency of security functions, better coordination with other organisational units within the Hypo bank and centralisation of security functions within one department.

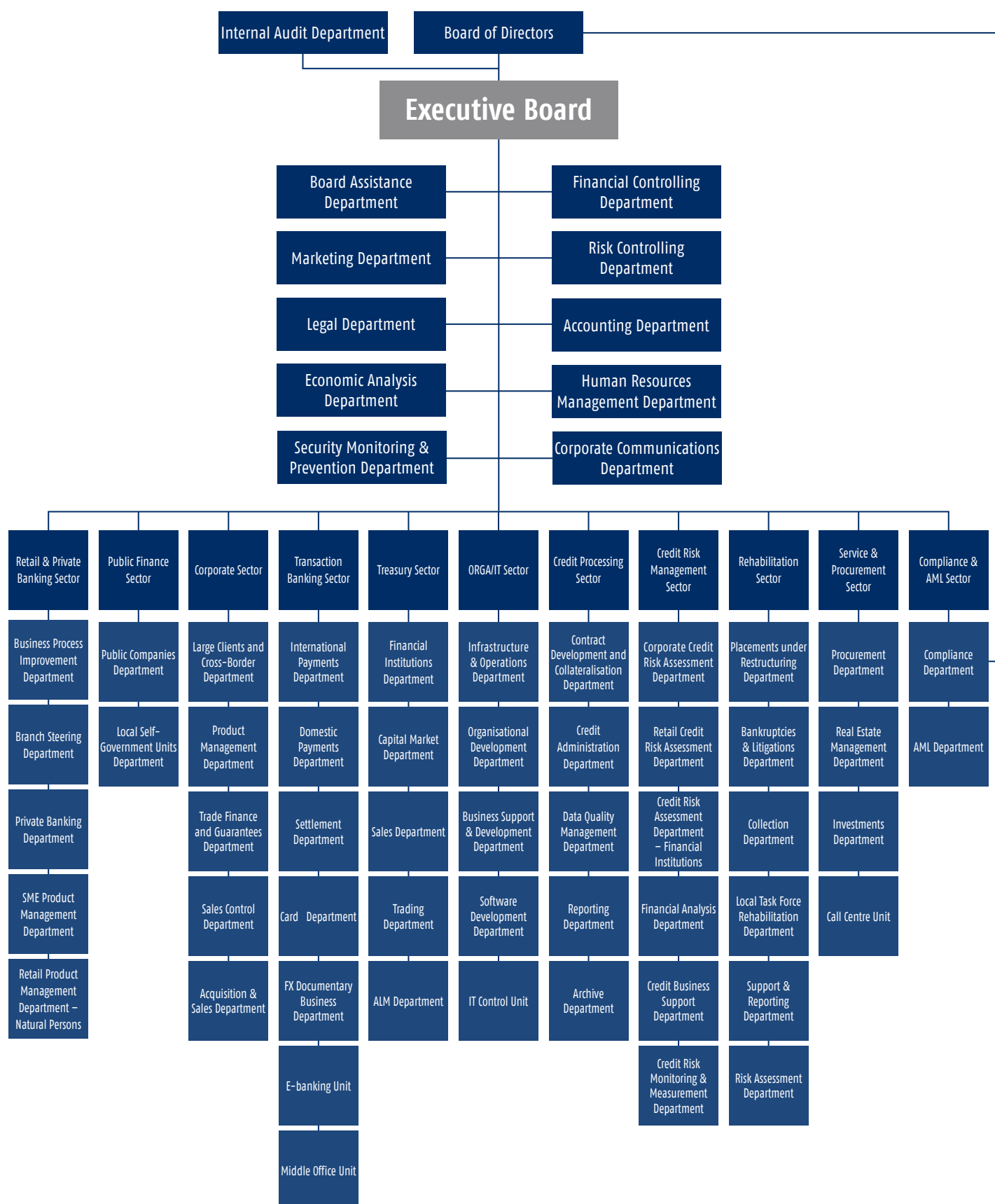
Duties within the Department:

- Organisation and supervision of securing real estate and other property owned or rented by the bank;
- Work safety;
- Fire protection;
- Assistance in cases of serious breaches of work discipline and work rules within the bank;
- Involvement in solving problems which resulted from the possibility of a bank employee or a third party related to the bank committing an action penalised under the law;
- Fraud prevention activities;
- Reporting to and advising of the Executive Board;
- Reporting to the Group Information Security Officer and implementation of directives stemming from corporate policies of information security;
- Management, implementation and monitoring of frames and processes of information security;

- Definition of the strategy and goals of information security;
- Creation, implementation, and maintenance of policies, standards, guidelines and procedures of information security and supervision of the implementation at organisational units;
- Implementation of information security risk assessments;
- Investigation of information security incidents;
- Training strategy, awareness increasing and employee instructing;
- Authorisations for creating policies on information security;
- Establishment of the metrics of the information security process and measurement of the performance of the information security process;
- Regular coordination with sectors in terms of information security, related to the risk profile, key means, methodologies, strategies/policies/processes of information security, future development courses and incidents;
- Preparation, creation and control of the information security budget;
- Regular participation in the Information Security Forum of the Hypo Group;
- Cooperation with competent Serbian authorities, other banks, external organisations and consultants on the information security, as well as regulatory bodies, auditors etc.;
- Steering/participation in information security competence centres;
- Management of information security projects;
- Other activities at the request of superiors

Organisational structure of

Hypo Alpe-Adria-Bank a.d. Beograd



2010 Financial Statement



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*This is English translation of the Report
originally issued in Serbian language
(For management purposes only)*

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF HYPO ALPE-ADRIA-BANK A.D. BEOGRAD

We have audited the accompanying financial statements of Hypo Alpe-Adria-Bank a.d. Beograd (hereinafter: the Bank), which comprise the balance sheet as at 31 December 2010, and the income statement, statement of changes in equity and cash flow statement 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 financial statements in accordance with the Law on Accounting and Auditing and the regulations of the National Bank of Serbia governing financial reports of banks and for such internal control as management determines is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements give a true and fair view of the financial position of the Bank as at 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with the Law on Accounting and Auditing and the regulations of the National Bank of Serbia governing financial reports of banks.

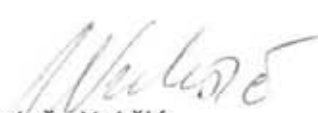
Other matter

The financial statements of the Bank for the year ended 31 December 2009 were audited by another auditor who expressed an unmodified opinion on those statements on 31 March 2010.

Belgrade, 25 March 2011



Stephen Fish
for Ernst & Young Beograd d.o.o.



Nataša Vukšić
Authorized Auditor

Income Statement

31st December 2010

RSD '000

	2010	2009
1. Interest and similar income	9,946,685	9,201,754
2. Interest and similar expenditure	(4,468,928)	(3,851,613)
Net interest income	5,477,757	5,350,141
3. Commission income from credit institutions	34,753	97,020
4. Commission expenditure from credit institutions	(200,699)	(81,795)
5. Commission income from clients	1,315,307	1,257,729
6. Commission expenditure from clients	(78,920)	(85,119)
7. Net income from FX gains/losses and value change	1,776,317	2,288,256
8. Net income/expenditure from securities business	(29,532)	16,130
9. Other operating income	68,285	176,411
Total operating income	8,363,268	9,018,773
10. General and administrative expenses	(3,612,646)	(3,560,377)
11. Amortisation expenses	(390,058)	(430,950)
Operating expenditure	(4,002,704)	(3,991,327)
Operating result	4,360,564	5,027,446
Provisioning expenditure	(3,976,058)	(3,199,962)
Profit before tax	384,506	1,827,484
Profit tax	(40,097)	(228,736)
Profit after tax	344,409	1,598,748

Income Statement

31st December 2010

RSD '000

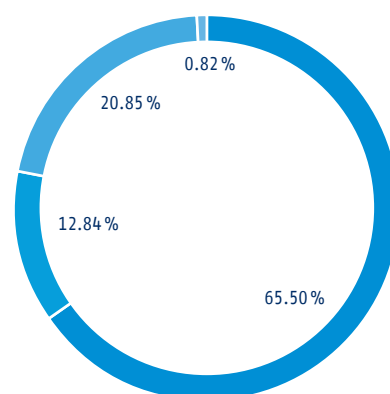
	2010	2009
Interest and similar income		
From mandatory reserve and deposits with NBS	151,178	249,810
From business with NBS	127,466	364,382
From placements to banks	207,838	395,790
Interest and commission from corporate loans	4,715,244	4,330,210
Interest and commission from retail loans	3,486,435	3,139,035
From securities business	1,258,524	722,527
Total interest income	9,946,685	9,201,754
b) Interest expenditure		
Relations with central bank	(1,023)	(1,613)
Liabilities to domestic banks	(209,556)	(174,184)
Liabilities to foreign banks	(1,279,879)	(1,263,118)
Corporate liabilities	(1,285,633)	(1,393,679)
Retail liabilities	(1,692,837)	(1,019,019)
Total interest expenditure	(4,468,928)	(3,851,613)
Net interest income	5,477,757	5,350,141
Commission income and expenditure		
a) Commission income		
Commission from credit institutions	34,753	97,020
Commission from issued guaranties and other warranties	457,900	524,231
Commission from domestic payment operations	366,211	410,454
Commission from international payment operations	130,459	83,695
Commission from card business	110,063	94,841
Commission from securities business	5,286	20,062
Other corporate commissions	73,007	27,311
Other retail commissions	177,667	117,197
Total commission income	1,355,346	1,374,811
b) Commission expenditure		
Commission to credit institutions	(200,699)	(81,795)
Commission from client business	(3,949)	(13,365)
Commission from card business	(10,913)	(10,378)
Commission from domestic payment operations	(37,343)	(34,970)
Commission from international payment operations	(26,715)	(26,406)
Commission from securities business	(1,955)	(3,158)
Total commission expenditure	(281,574)	(170,072)
Net commission income	1,073,772	1,204,739
Other operating income		
Net FX gains/losses effect	(9,774,712)	(3,976,968)
Change of value of property and FX clause liabilities	12,304,202	5,058,836
Net income/expenditure from securities value change	(753,173)	1,206,388
Net gains from selling securities	(32,863)	(774)
Net income from financial transactions	1,743,454	2,287,482
Other income	68,285	176,411
Total other operating income	1,811,739	2,463,893
Total operating income	8,363,268	9,018,773

Overview of operating income

RSD '000

	2010
Net interest and similar income	5,477,757
Net commission income	1,073,772
Net income from financial transactions	1,743,454
Other income	68,285
	8,363,268

Operating income structure



■ Net interest and similar income
■ Net commission income
■ Net income from financial transactions
■ Other income

Expenditure from indirect write-off of placements and provisions

RSD '000

	2010	2009
Expenditure (income) from allowance of receivables	(3,795,244)	(2,544,112)
From placements to banks	69	3,944
From placements to clients	(3,305,481)	(2,219,555)
From interest and commission	(499,161)	(195,494)
From other assets	25,380	(133,007)
From securities	(16,051)	0
Expenditure (income) from provisioning	(180,814)	(655,850)
Provisioning expenditure from issued guarantees	(187,760)	(560,610)
Provisioning expenditure from issued L/Cs	8,181	(7,165)
Provisioning expenditure from taken long-term liabilities	(20)	12,869
Expenditure (income) from provisioning for employees (IAS 19)	(1,215)	(100,944)
Total expenditure from write-offs and provisions	(3,976,058)	(3,199,962)

Other operating expenditure

RSD '000

	2010	2009
Net salaries	(982,101)	(940,749)
Taxes and contributions for salaries	(361,791)	(348,079)
Other personnel expenditure	(84,440)	(126,980)
Donations and grants	(36,888)	(15)
Rental fees and other expenses	(568,519)	(442,938)
Insurance premiums	(168,060)	(146,265)
Representation expenses	(26,225)	(35,100)
Advertising expenses	(135,237)	(183,556)
Information system expenses	(239,893)	(228,309)
Car fuel and maintenance expenses	(15,519)	(19,015)
Postal expenses	(124,601)	(145,233)
Membership fees in the country and abroad	(3,355)	(3,563)
Taxes and contributions not dependant on the result	(274,881)	(254,770)
Expertise, arbitrage and audit expenses	(18,096)	(12,355)
Other administrative expenses	(459,686)	(479,228)
Material expenses	(62,013)	(87,232)
Write-off of unrecoverable receivables	(32,109)	(1,309)
Losses from write-off and sale of fixed assets	(12,171)	(8,620)
Depreciation	(390,058)	(430,950)
Other expenditure	(7,061)	(97,061)
Total expenses	(4,002,704)	(3,991,327)

Balance Sheet 31st December 2010

RSD '000

	2010	2009
Assets		
Cash and cash equivalents	6,407,358	12,110,773
Deposits with central bank	28,082,002	29,196,533
Placements to domestic and foreign credit institutions	2,114,322	3,126,947
Placements to clients	103,476,808	90,288,454
Allowance of receivables	(10,892,594)	(6,303,933)
Stakes in capital and investments in securities	11,994,188	7,411,685
Fixed assets and intangible investments	1,854,688	1,791,550
Other assets	620,728	495,888
Accrued expenditure	940,251	992,588
Total assets	144,597,751	139,110,485
Liabilities		
Transactional deposits	12,269,343	14,363,391
Other deposits	48,367,342	49,697,594
Taken loans and interest liabilities	26,298,949	21,119,154
Subordinated liabilities	21,417,079	19,220,468
Other liabilities	2,788,738	1,593,004
Accrued income from loan commission	535,013	572,133
Provisions	1,304,552	1,170,275
Deferred tax liabilities	0	0
Share capital	14,319,484	14,318,316
Issue premium	9,758,438	9,754,642
Reserves	7,194,404	5,702,760
Undistributed profit for current year	344,409	1,598,748
Total liabilities	144,597,751	139,110,485

Balance Sheet

31st December 2010

RSD '000

	2010	2009
Assets		
Cash, cash equivalents		
Cash at hand	1,746,962	2,496,113
T-bills included in cash equivalents	636,479	1,780,005
Assets in gyro account	3,613,167	7,443,066
FX accounts with NBS for trade in securities	14,593	9,461
FX accounts with foreign banks	396,157	382,128
Total cash and cash equivalents	6,407,358	12,110,773
Deposits with NBS		
Mandatory reserve with NBS	28,082,002	23,696,533
Placements to NBS for repo operations	0	5,500,000
Total deposits with NBS	28,082,002	29,196,533
Placements		
Placements to domestic and foreign banks	2,114,322	3,126,947
Corporate placements	52,318,068	52,169,258
Retail placements	51,158,740	38,119,196
Total gross placements	105,591,130	93,415,401
Allowance of placement	(10,875,594)	(6,164,854)
Net placement value	94,715,536	87,250,547
Stakes in capital and other securities		
Securities for trading	0	4,104
Securities available for sale – shares	472	113,224
Securities available for sale – corporate bonds	105,326	95,709
Securities available for sale – investment units	0	7,129
Investments in NBS t-bills	0	0
Investments in Republic of Serbia t-bills	11,815,311	7,150,856
Investments in subsidiaries	73,079	40,663
Total gross value of securities and stakes in capital	11,994,188	7,411,685
Securities impairment	(16,523)	(113,224)
Net value of securities and stakes in capital	11,977,665	7,298,461
Other assets and balance brought forward		
Receivables from employees	675	844
Given advances	81,334	85,280
Supplies	3,214	3,326
Other assets	232,552	49,258
Accrued expenditure	940,251	992,588
Assets intended for sale	0	131,880
Receivables from paid profit tax	8,411	52,735
Deferred tax assets	226,264	1,326
Other balance brought forward	68,278	171,239
Total gross other assets and balance brought forward	1,560,979	1,488,476
Allowance of other assets	(477)	(25,855)
Net value of other assets and balance brought forward	1,560,502	1,462,621
Fixed assets and intangible investments		
Buildings and other equipment	1,224,436	1,494,540
Intangible investments	630,252	297,010
Total fixed assets and intangible investments	1,854,688	1,791,550
Total assets	144,597,751	139,110,485

Balance Sheet

31st December 2010

RSD '000

	2010	2009
Liabilities		
Deposits	60,636,685	64,060,985
Transactional deposits of foreign banks	1,186,732	1,128,018
Corporate transactional deposits	7,808,717	9,955,121
Retail transactional deposits	3,273,894	3,280,252
Other corporate deposits	23,282,671	24,998,704
Other retail deposits	25,084,671	24,698,890
Other liabilities	52,344,331	43,675,034
Taken loans	26,291,420	20,106,658
Interest liabilities	7,529	10,084
Other financial liabilities	2,788,738	1,630,545
Other liabilities		964,871
Accrued commission income	535,013	572,133
Profit tax liabilities	0	0
Provisions for off-balance sheet assets	1,212,827	1,033,227
Employee provisions (IAS 19)	91,725	137,048
Deferred tax liabilities	0	0
Subordinated liabilities	21,417,079	19,220,468
Total liabilities	112,981,016	107,736,019
Capital		
Total share capital	14,319,484	14,318,316
Issue premium	9,758,438	9,754,642
Reserves from profit	7,268,512	5,669,764
Revaluation reserves	(74,108)	32,996
Undistributed profit for current year	344,409	1,598,748
Total capital	31,616,735	31,374,466
Total liabilities	144,597,751	139,110,485

Main notes from the Financial Statement

Mandatory reserve

Deposits with the NBS imply funds allocated for the mandatory FX reserve under the Decision on bank mandatory reserve with the National Bank of Serbia. At 2010 end, the total mandatory dinar reserve, as a part of the balance of the item 'assets in NBS giro account' amounted to RSD 3,613,167 RSD (2009: 6,000,665 RSD). The bank calculated the mandatory FX reserve for liabilities from FX deposits, loans and securities and other FX liabilities, as well as dinar liabilities with an FX clause. The basis for the calculation was made of average daily balances of the said liabilities in the previous calendar month. Under the amendments to the Decision on the mandatory reserve made in March 2010, the mandatory FX reserve was decreased and the unified rate of 25% was introduced. The basis excluded subordinated liabilities, assets received from international financial organisations and liabilities from loans and deposits received from abroad in the period 1st October 2008 to 31st March 2010. Since, in line with the new Decision, the bank calculated smaller amounts of the mandatory FX reserve in all calculation periods, the Bank had to maintain the average daily balance of the earmarked mandatory reserve at the amount minimally equalling the basis mandatory FX reserve calculated under the previous Decision on bank mandatory reserve with the National Bank of Serbia, standing at 28,082,002 RSD on 31st December 2010. According to the Decision on the obligation of leasing companies to keep reserve funds, in 2010, the bank calculated and earmarked the mandatory reserve for funds leasing companies were obliged to keep at a special account opened with the bank. The calculated mandatory reserve for leasing companies as at 31st December 2010 stood at 4,955,177 RSD. Pursuant to amendments and supplements to the Decision on interest rates (Official Gazette of the Republic of Serbia no. 46/05) dated 10th June 2005, the National Bank of Serbia does not pay interest to banks for funds earmarked as the mandatory FX reserve. The National Bank of Serbia pays interest to banks for the mandatory dinar reserve at the rate of 2.5%. The bank did not use the funds of the dinar and FX mandatory reserve to maintain liquidity.

Placements

In 2010, the bank placed funds to banks in dinars with the interest rate ranging from 5.5 % to 12.7% (in 2009, the interest rate ranged from 7.5% to 21.2%). Euro loans to banks were placed with the interest rate ranging from 0.2 % to 0.9 % (in 2009, it ranged from 0.15% to 4.7%), CHF loans were placed with the interest rate ranging from 0.02 % to 0.05 % (in 2009, it ranged from 0.1% to 2.2%) and USD loans were placed with the interest rate ranging from 0.13 % to 0.3 % (in 2009, it ranged from 0.12% to 0.2%). Assets indexed by an FX clause were placed to banks at the rate ranging from 5.5 % to 6 % (in 2009, it ranged from 6% to 8.75%).

- Interest rates for short-term corporate loans in EUR were 7.70%, and for short-term loans in RSD they were 13.72% (in 2009, they were 8.09% for EUR loans and 17.84% for RSD loans).
- Interest rates for long-term loans in CHF were 5.89% (in 2009, they were 6.26%).
- Interest rates for long-term loans in RSD were 20.14% (in 2009, they were 14.16%).
- Interest rates for corporate current account overdrafts in 2010 amounted to 18.69% (in 2009, they were 15.29%).

Unconditional retail loans indexed in EUR were placed with the interest rate of 12.50% to 17.65% (in 2009, the rate ranged from 11.5% to 16.95%). The bank also placed unconditional retail loans in RSD with the nominal interest rate of 20% to 30.00% (in 2009, the rate ranged from 21.95% to 30%). Housing loans were placed at interest rates from 3.4% to 10.75% (in 2009, the rates ranged from 3.25% to 11%). Loans to the agro segment and SMEs were placed with interest rates from 5% to 20% (in 2009, the rates ranged from 6% to 20%).

Bank's capital

Bank's capital is comprised of the share capital, issue premium, reserves and generated profit for the current year.

Capital

EUR '000

	2010	2009
Share capital	14,319,484	14,318,316
Issue premium	9,758,438	9,754,642
Reserves from profit for estimated losses	5,545,037	3,946,289
Other bank reserves from profit	1,652,182	1,652,182
Reserves for general banking risks	71,293	71,293
Revaluation reserves	(74,108)	32,996
Undistributed profit for current year	344,409	1,598,748
Total capital	31,618,745	31,376,475

Structure of bank's share capital

EUR '000

	2010	% of	2009	% of
Hypo Alpe-Adria-Bank International AG Klagenfurt	14,319,338	99,999%	14,306,416	99.917%
Other shareholders	146	0,001%	11,900	0.083%
Total share capital	14,319,484		14,318,316	

Bank's shares are common and registered. One share carries one vote at the Shareholders' Assembly.

The total number of common shares is 7,159,742 (2009: 7,159,158 shares), having the nominal value of 2,000 RSD per share.

All issued shares are fully paid up. The shares are registered with the Securities Commission:

CFI code: ESVUFR

ISIN no: RSHypoE 68424

The issue premium is formed at the share issue and it represents the difference between the achieved share selling price and their nominal value.



Headquarters – Belgrade

Hypo Alpe-Adria-Bank a.d. Beograd

Bulevar Mihajla Pupina 6
11070 Novi Beograd
Tel. +381 11 22 26 000
Fax +381 11 22 26 555
www.hypo-alpe-adria.rs
office@hypo-alpe-adria.rs

Branches

Regional Branch – Beograd

Bulevar Mihajla Pupina 6
11070 Novi Beograd
Tel. +381 11 22 26 000
Fax +381 11 22 26 555

Regional Branch – Novi Sad

Bulevar oslobođenja 18
21000 Novi Sad
Tel. +381 21 48 96 000
Fax +381 21 48 96 052

Opening hours

Monday – Friday	08:00-19:00
Saturday	08:00-13:00

Regional Branch – Niš

Milojka Lešjanina 17
18000 Niš
Tel. +381 18 520 060
Fax +381 18 520 112

Opening hours

Monday – Friday	08:00-17:00
Saturday	09:00-13:00

Branch Ušće

Bulevar Mihajla Pupina 6
11070 Novi Beograd
Tel. +381 11 22 26 034
Fax +381 11 22 26 098

Opening hours

Monday – Friday	09:00-17:00
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Branch Hypo Plaza

Bulevar Zorana Đinđića 8a
11070 Novi Beograd
Tel. +381 11 20 16 312
Fax +381 11 20 16 399

Opening hours

Monday – Friday	08:00-19:00
Saturday	09:00-13:00

Branch Terazije

Terazije 45
11000 Beograd
Tel. +381 11 33 46 501
Fax +381 11 33 45 621

Opening hours

Monday – Friday	09:00-17:00
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Branch Vasina

Vasina 16
11000 Beograd
Tel. +381 11 30 36 230
Fax +381 11 32 85 669

Opening hours

Monday – Friday	08:00-19:00
Saturday	09:00-13:00

Branch Bečej

Trg oslobođenja 3
21220 Bečej
Tel. +381 21 69 13 925
Fax +381 21 815 561

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Šabac

Pop Lukina 2
15000 Šabac
Tel. +381 15 349 448
Fax +381 15 349 447

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Čačak

Pivarska 2
32000 Čačak
Tel. +381 32 340 095
Fax +381 32 344 324

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Pančevo

Petra Drapšina 5
13000 Pančevo
Tel. +381 13 354 400
Fax +381 13 354 410

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Vršac

Dvorska 1
26300 Vršac
Tel. +381 13 835 505
Fax +381 13 831 351

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Kragujevac

Zorana Đinđića 11b
34000 Kragujevac
Tel. +381 34 500 005
Fax +381 34 338 875

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Užice

Dimitrija Tucovića 38
31000 Užice
Tel. +381 31 500 326
Fax +381 31 500 927

Opening hours

Monday – Friday	08:00-17:00
Saturday	09:00-13:00

Branch Subotica

Korzo 15
24000 Subotica
Tel. +381 24 670 400
Fax +381 24 558 600

Opening hours

Monday – Friday	08:00-19:00
Saturday	09:00-13:00

Branch Bečej

Trg oslobođenja 3
21220 Bečej
Tel. +381 21 69 13 925
Fax +381 21 815 561

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Sombor

Kralja Petra I 24
25000 Sombor
Tel. +381 25 434 040
Fax +381 25 422 745

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-12:00

Branch Kikinda

Kralja Petra I 41
23300 Kikinda
Tel. +381 0230 401 960
Fax +381 0230 32 757

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branches

Branch Zrenjanin

Svetozara Markovića 2
23000 Zrenjanin
Tel. +381 23 511 825
Fax +381 23 511 824

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Vrbas

Maršala Tita 102
21460 Vrbas
Tel. +381 21 700 904
Fax +381 21 700 906

Opening hours

Monday – Friday	08:00-17:00
Saturday	09:00-13:00

Branch Bačka Palanka

Kralja Petra I 33
21000 Bačka Palanka
Tel. +381 21 753 100
Fax +381 21 754 885

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Sremska Mitrovica

Kralja Petra I 46
22000 Sremska Mitrovica
Tel. +381 22 617 700
Fax +381 22 639 335

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Leskovac

Bulevar oslobođenja 169
16000 Leskovac
Tel. +381 16 266 060
Fax +381 16 260 830

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Jagodina

Kneginje Milice 15
35000 Jagodina
Tel. +381 35 244 346
Fax +381 35 244 984

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Branch Kruševac

Trg kosovskih junaka 1
37000 Kruševac
Tel. +381 37 424 320
Fax +381 37 424 590

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00



Sub-branches

Beograd

Partizanske avijacije 14
11000 Beograd
Tel. +381 11 22 89 860
Fax +381 11 22 80 567

Opening hours

Monday – Friday 09:00-17:00

Glavna 12
11080 Beograd, Zemun
Tel. +381 11 31 68 371
Fax +381 11 31 68 369

Opening hours

Monday – Friday 09:00-17:00

Blok 67, Juriša Gagarina 14
(objekat PO1)
11070 Novi Beograd
Tel. +381 11 22 26 060
Fax +381 11 22 26 061

Opening hours

Monday – Friday 09:00-17:00

Hypo Hill, Trgovačka 2
11000 Beograd, Čukarica
Tel. +381 11 20 50 105
Fax +381 11 20 50 130

Opening hours

Monday – Friday 08:00-19:00
Saturday 09:00-13:00

Imnocentar, blok 64
11000 Beograd
Tel. +381 11 21 68 544
Fax +381 11 21 68 543

Opening hours

Monday – Friday 09:00-19:00
Saturday 09:00-14:00

Resavska 26
11000 Beograd
Tel. +381 11 32 32 517
Fax +381 11 33 43 644

Opening hours

Monday – Friday 09:00-17:00

Bulevar kralja Aleksandra 100-104
11000 Beograd
Tel. +381 11 30 88 780
Fax +381 11 34 41 743

Opening hours

Monday – Friday 08:00-19:00
Saturday 09:00-13:00

Vojvode Stepe 114-116
11000 Beograd
Tel. +381 11 39 76 415
Fax +381 11 39 76 415

Opening hours

Monday – Friday 08:00-17:00

Makedonska 21
11000 Beograd
Tel. +381 11 33 73 926
Fax +381 11 33 73 929

Opening hours

Monday – Friday 09:00-17:00

Brankova 13-15
11000 Beograd
Tel. +381 11 30 37 122
Fax +381 11 32 88 420

Opening hours

Monday – Friday 09:00-17:00

Ruski car, Knez Mihailova 7
11000 Beograd
Tel. +381 11 30 38 970
Fax +381 11 32 87 864

Opening hours

Monday – Friday 09:00-17:00

Gornji Milanovac

Karađorđeva 8-10
32300 Gornji Milanovac
Tel. +381 032 722 285
Fax +381 032 718 006

Opening hours

Monday – Friday 08:00-17:00
Saturday 08:00-13:00

Loznica

Vojvode Mišića 2
 15300 Loznica
 Tel. +381 15 893 621
 Fax +381 15 893 620

Opening hours

Monday – Friday	08:00-17:00
Saturday	09:00-13:00

Novi Sad

NIS
 Narodnog fronta 12
 21001 Novi Sad
 Tel. +381 21 67 42 188
 Fax +381 21 67 42 180

Opening hours

Monday – Friday	08:00-17:00
Saturday	08:00-13:00

Niš

Dušanova bb
 18000 Niš
 Tel. +381 18 293 111
 Fax +381 18 515 603

Opening hours

Monday – Friday	08:00-20:00
Saturday	08:00-15:00

Responsible for the content

Hypo Alpe-Adria-Bank a.d. Beograd

Bulevar Mihajla Pupina 6

11070 Novi Beograd

Tel. +381 11 222 6000, Fax +381 11 222 6555

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